in Paris, London, Zurich, Hoog Kang, Singapore, The Hague, Marseille, Mismi.

1/87

PARIS, FRIDAY, JANUARY 2, 1987



Officers pushed back students who crossed police lines Thursday at Tianaumen Square.

LATE NEWS

Niger Head Sees Doctors in Paris

PARIS (AP) — President Seyni Kountche of Niger, 56, arrived in Paris on Thursday for a medical examination after reportedly suffering a minor

Mr. Kountche walked down the steps unaided from the airliner that brought him from Niamey via Algiers. Medical corroes in Niamey said that he suffered a minor stroke Wednesday and was treated in a hospital there before leaving for Paris, where he was to be examined in LaPitié-Salpetnière Hospital.

DESIDE TODAY

#Superconductivity has been tures, a step that could revoluponize energy storage. Page 2 Reagan was optimistic on arms. Gorbachev less so, in

New Year messages. Page 2.

The U.S. Congress faces an of benefit programs. Page 3. li Cardinal John J. O'Connor

apologized for canceling meetings in Jerosalem with Israeli Page 2.

A Camival is coming. Revely in

Venice and Rio. BUSINESS/FINANCE

■ Bell Group increased its takeover offer for Australia's largest Page 1L media group. M Nigeria's budget for 1987 will be one of the smallest for the country in a decade. Page 11.

OPINION MA new political chapter in America. The first of two articles by W.W. Rostow. Page 4.

Trade Deficit in U.S. Widens to a Record

By Robert D. Hershey Jr.

a record \$19.2 billion in November from \$12.06 billion in October, a startling setback following three months of improvement, the Commerce Department reported.

tober's trade deficit upward to \$14.7 billion, but cautioned against comparing revised and unrevised monthly deficit figures.

The gloomy figures put the Unit-ed States on track for an estimated 1986 trade deficit of \$173.6 billion, which would be \$25 billion more

mall fee imposed Dec. 1 on most imported goods and rising calls for protectionist legislation - were responsible for a significant part of the deterioration, as exporting countries and American importers accelerated the shipment of goods

Private analysis expe ppointment with the November figures, which Robert Ortner, aw the Commerce Department's top economist, termed "horrendous."

efforts to restrict imports.

Among the dispiriting figures in Wednesday's report was a 35 per-cent increase, to \$6.74 billion, in the trade deficit with Japan, the biggest one-month excess of imports over exports ever recorded with any country. The deficit with Western Europe nearly tripled, and

predicted that the trade deficit was

a hefty increase and growth of im-

See TRADE, Page 3

had finally begun.

New York Times Service The bulk of the new deteriora-WASHINGTON - The U.S. ndise-trade deficit soured to tion in November was accounted for by a 20.5 percent jump in imports, to a record \$37.8 billion. "It continues to be more attractive to import than to use U.S.

goods and services," said Steve H. The department also revised Oc-France, EC denounce U.S. plan on import duties. Page 11

Hanke, a professor of economics at Johns Hopkins University. "We haven't yet turned the corner." Largely because of the dollar's

than 1985's record shortfall. Special factors — including a

to the United States.

The latest data "raise questions about whether the trade accounts have turned around, as seemed to be the case by earlier figures," Stuart A. Schweitzer, a vice president at Morgan Guaranty Trust Co.,

The figures also prompted predictions that Congress, with both chambers about to be controlled by the Democrats, would intensify its

Protesters In Beijing Test Limit

Break Through Police Lines in Capital Square

By Daniel Southerland

BELIING - Despite a threat of severe punishment from the authorities, student-led demonstrators brought their demands for democracy Thursday to the heart of the Chinese capital for the first

The students participated in two separate demonstrations. The first, in Tiananmen Square in the heart of the city, was strongly resisted by the police, who detained several of the approximately 2,000 protesters

taking part. Late Thursday night, a crowd of students estimated at up to 5,000 gathered at Beijing University in the city's northwestern suburbs. Several thousand students marched toward the center of the city, demanding the release of students who had been detained earlier.

The government yielded to the students' demand within a few hours, and most of the marchers then dispersed.

But others continued to Tiananmen Square, where they paraded around its north and east sides in the heaviest snowfall so far this winter before marching to the base of the Monument to the People's Martyrs.

Squads of police officers stood by without intervening.
On Thursday morning, in the

most dramatic moment of the demonstrations, several hundred students had surged through police lines on Tiananmen Square.

By demonstrating on the square, the site of important national mondecline against the Japanese yen uments and a symbol of China to every citizen, the students escalated and the West German mark over their challenge to the authorities. The day's unrest, in which most of the participants apparently were bound to improve, as imported goods became more costly to students, represented the biggest

spontaneous demonstration seen in Americans and American goods Beijing since the emergence of an became more attractively priced unsuccessful democracy movement that lasted from 1978 to 1980. In October, when exports posted The demonstration helped susports appeared to have subsided. tain the pro-demonstration

that began in Shanghai nearly four many suggested that the long-Actions by students at presti-

See CHINA, Page 2



Amee Dorbecker, 14, left, and her mother, Kim, heading for a meeting Thursday with officials across from the Dupont Plaza Hotel. The Dorbeckers, of Amarillo, Texas, jumped from their fourth-floor hotel room to escape.

\$2 Million Missing In Iran Arms Deal

By Walter Pincus

WASHINGTON — Congres nal investigators have been unable to locate about \$2 million of the \$4 million paid by Iran in late October for the last shipment of U.S. arms that were delivered inst before the release of an American hostage, David P. Jacobsen, sources said.

The \$4 million was deposited by an unidentified Iranian contact in late October in a Swiss bank ac-Swiss account controlled by the Central Intelligence Agency before 507 70% anti-tank ma: " shipped from Israel to Iran on Oct. and Senate intelligence panels were

After the shipment, the remain-But Wednesday's report cast gious universities in Beijing have der of the money reportedly went into another account, the sources

said, but it has yet to be found by onal investigators.

miliar with the transaction said the funds may have been earmarked with other "profits" from earlier 1986 U.S. arms sales to Iran - to pay expenses run up on behalf of the U.S.-backed Nicaraguan rebels.

Although Attorney General Edwin Meese 3d estimated that \$10 million to \$30 million could have been diverted to support the concount set up by Tehran. One pay- tras, congressional sources say that ment of \$2,037,000 was made into a they think the figure will end up at between \$4 million and \$8 million. In their preliminary seven-week

> transactions associated with the arms sales. They could not determine how much money was diverted to support the contras. volved in the Iran-contra operation are Lieutenant Colonel Oliver L.

North, who was dismissed from the National Security Council staff after details of the funds diversion were discovered, retired Major General Richard V. Secord and retired Colonel Robert C. Dutton, an employee of General Secord's com-

See IRAN, Page 2

Another congressional source fa-

were inquiries into the affair; the Flouse were killed.

> say what it was." Fire Chief Francisco Ortiz Soto Spanish national radio reported

before congressional committees on their activities, citing their con-

At Least 43 Die As Fire Sweeps San Juan Hotel

SAN IJAN, Puerto Rico — A fire preceded by explosions raged through four floors and the casino of the luxury Dupont Plaza Hotel. which was packed with New Year's vacationers. Officials said that at least 43 persons were killed, and several officials said the fire may have been caused by arson related to labor problems.

Some officials suggested that the death toll might rise as high as 100. Health Undersecretary Emilio Davila said that 104 people were injured in the blaze, 23 of them critically. A casualty list was not immediately

The 21-story, 450-room Dupont Plaza, formerly called the Sheraton Hotel, is one of the largest tourist hotels in Puerto Rico and is located along a beach in the main Condado tourist section. The hotel is now owned by Hotel Systems International, a chain based in Anaheim, California, and was fully booked at the time of the fire.

Guests jumped from windows and used sheets to escape the flames. More than 100 people were rescued from the botel roof and balconies by helicopters.

Kevin W. Condon, of Ansonia, Connecticut, said he was playing blackjack in the hotel casino, where most victims apparently died, when someone said there was smoke. "But nobody paid any attention, he said, "and we continued play-

"Then there was a big burst of smoke and we went running toward one of the exits," Mr. Condon continued. "When someone opened the door, we saw that the whole hallway was covered with black smoke. We slammed the door, went running toward the other exit and that was filled with black smoke. Then the panic began."

He said he broke a window with a chair and jumped from the mezzanine level to the ground, breaking his left leg. He said later at Pavia Hospital that there had been 70 people in the casino and he had seen two others escape out the window. "But I don't think anybody else got out of there," he said.

Justice Secretary Hector Rivera Cruz said the bodies of 43 persons had been found in a search of the

of the General Fireman's Union, rally white voters by condemning said, "I estimate there are 80 dead," the Western powers for being "hypand Heriberto Acevedo, the com- ocritical" toward South Africa and monwealth's civil defense director. said that as many as 100 people

Police Superintendent Carlos Lopez said, We're still investigating the cause and it's too early to

said that witnesses had reported that three explosions preceded the

Thursday that four bombs placed junior houses in the country's segin separate parts of the hotel had caused the fire, Agence France—those occupied by legislators of Presse reported. The radio quoted mixed racial and Indian descent. the Spanish consul general in San Juan, Juan Los Arcos, who had should, in any event, have been

See FIRE, Page 2

Botha Plans Elections in

Early 1987 By Alan Cowell

JOHANNESBURG - President Pieter W. Botha has an-nounced that there will be early general elections in 1987 for the nation's white electorate.

The move, political commentators said, was designed to win a renewed mandate for the National Party after 28 months of black revolt, mounting international ostracism and increasing reliance on ency rule to withstand demands for black-majority rule. The Afrikaner-dominated party has

been in power since 1948. Mr. Botha, who made the announcement in a televised New

South Africa has severely re-stricted the reporting of unrest or dissent. Correspondents may be fined or imprisoned for failing to submit to censors articles that contravene regulations.

Year's message on Wednesday night, said he would announce a date for the election in January. Press commentators, who have been speculating about an election for months, have suggested that it will be held in mid-March. Elections were not expected until 1989. In the broadcast, Mr. Botha set

But Heriberto López, president an electioneering tone, seeking to by vowing that his government was "not prepared to sacrifice our right of self-determination in our father-

> The language represented a cod-ed promise to the white minority of 5 million that their Afrikaner leaders would not hand over the country to a black government drawn from majority rule based on a universal franchise.

> Mr. Botha made no announcement of new elections for the two regated three-chamber Parliament Mr. Botha said, "By-elections

See BOTHA, Page 2

Shiite Moslem Group Kills 3 Lebanese Jews

BEIRUT - A Shiite Moslem group said it executed three Lebanese lews because they had spied for Israel and warned that it would kill more unless its demands were

A statement issued by the Organization of the Oppressed in the World and delivered late Tuesday to the independent An-Nahar newspaper said: "We announce the execution of three spies for the Istaeli Mossad," the country's intelligence service.

It named the three as Youssel Ben Sen, Elie Stour and Henry Min but did not say when or where the billings took place. The statement was accompanied by black-andwhite photographs of the three-They were shown alive but appearing drawn and haggard.

The group claimed it kidnapped Mr. Ben Seit in February 1086 and Mr. Scour in March. The circumstances of Mr. Min's disappearance Were not known.

formation on the Islamic Resistince, a coshtion of Lebanese guer-They were executed in retalia-tion for Israel's attacks against the grade and Uzbekistan peddled exotic south and western Bekan and the

The statement offered to give up the bodies of the three men if Israeh forces stopped all attacks on Leb-ation and left a self-declared securi-

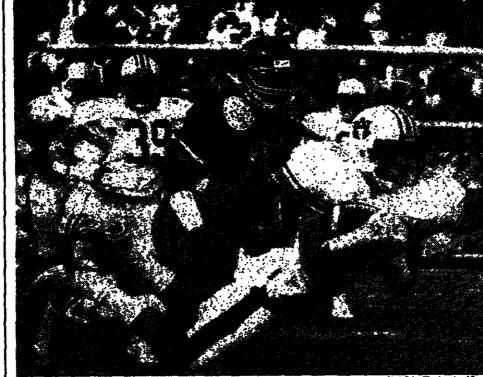
If these demands are not met,

then we will continue to execute the spies that we still hold," the statement added. It did not elaborate. A year ago, the group announced

the killing of another Lebanese Jew, Haim Cohen Halala, His body, riddled with bullets, was found by police in West Beirut.

> Members of Lebanon's tiny Jew-See EXECUTE, Page 2

In February, the group said it had killed Ibrahim Ben Seti who security sources said was a relative of Youssef Ben Seti.



Auburn, Ohio State Win New Year's Day Bowl Games Chip Powell intercepts a Southern California pass during Auburn's 16-7 victory in the Citrus Bowl in Orlando, Florida. In the Cotton Bowl in Dallas, Ohio State beat Texas A&M, 28-12. Page 15.

In Moscow, a Rare Holiday Cornucopia

Under the new policy, collective farms are

By Bill Keller

New York Times Service MOSCOW - Last weekend a small fleet of trucks pulled into Moscow and unloaded an eye-popping cornucopia at the city's winter-bare markets; fat black grapes, ripe persimmons and pomegranof having supplied Israel with inoranges, tomatoes and cucumbers.

smoked chicken and fish At subway stops around the city, pastries for the New Year celebration, or passed steaming skewers of shashlik into the gloved hands of Muscovites.

"Lord," muttered a wide-eyed levard. Nearby, a saleswoman battered apart blocks of frozen geese Just as Americans know an elec-

earlier this year, that allows collec- to give farmers an incentive to get tive farms to sell part of their pro- more trust and vegetables to market duce for whatever prices the traffic from the collective farms them-

Normally, the average Soviet grocery shopper has two choices. He can buy from the government thops, where goods are sold at low, fixed prices but where the selection. at least in winter, is meager.

selves — items that might normally

The new directive was designed

percent of their produce at whatev-Or he can buy from the collective er prices the traffic will bear, and to

keep the profits for farm projects. as the Roman Catholic Church ob-Getting the additional groceries served its World Day of Peace and farmers' prices.

fall, in food fairs set up before the homily Thursday by saying, "May Revolution Day holiday on Nov. 7. 1987 be a year in which humanity Revolution Day holiday on Nov. 7. The event was proclaimed a success, and the fairs were reopened the past, a year in which, in devel-for three days last weekend on a opment and solidarity, each heart grander scale.

The event was timed for maxi-

mum impact. New Year in the Soviet Union combines the marathon feasting of an American Thanksgiving the gift-giving and tree-trimming of Christmas, and the popping corks of domestic "cham-

ting food to market? Or does it reflect the ability of Moscow party See FETE, Page 3

Those identified as being in-

All three have refused to testify

For Catholics, a Year Devoted to Mary

'87 Celebration By Roberto Suro New York Times Service ROME — Pope John Paul II Thursday proclaimed a special year

Pope Announces

dedicated to the Virgin Mary that will be observed by Catholics worldwide. In a homily in a New Year's Day Mass at St. Peter's Basilica, the pope announced that beginning in June a Marian year, the first since 1953-54, would be celebrated as a way of preparing for the beginning of the third millennium of Chris-

tianity in the year 2000. A range of devotional and educational activities devoted to the Virgin will be conducted in all Catholic dioceses from June 7, the feast of the Pentecost, until Aug. 15, the feast of the Assumption of Mary.
John Paul's announcement came

Moscow tested the system in the ments, John Paul concluded his

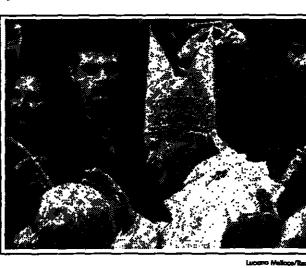
finally puts aside the divisions of

seeks peace." Spontaneous applause from the congregation in St. Peter's greeted the announcement of the special

Marian year. Before the year begins, the pope said, he would issue an encyclical, a special pastoral letter addressed to the world's more than 800 million Catholics, that will be dedicated to the Virgin.

The proclamation of a Marian

100th anniversary of the proclamanational reconciliation. See POPE, Page 2



Pope John Paul II in St. Peter's Square on Thursday.

Kabul Offers Cease-Fire, replained, Moscow was witnessing splendid demonstration of the have meats, homemade pickles, and provide some sweet Soviet economic slogan, and enticing fruit, but at stiff prices competition to drive down the

Soviet-backed Afghan government in any part of the country. announced Thursday a cease-fire beginning on Jan. 15 in the seven followed by a dialogue with what ar-war with Moslem guerrillas, he called the "opposition." He did but the offer was immediately re- not directly refer to the Westernjected by the main Pakistan-based errilla alliance.

The cease-fire was announced in

tral Committee meeting of the ruling Communist Party. Parts of the speech were broadcast Thursday consists of seven main guerrilla night by the official Kabul Radio. The radio, which did not say

when the meeting was held, quoted General Najibullah as saying that the cease-fire would be temporary but could be made permanent by

But General Najibullah warned

that his government would respond ISLAMABAD, Pakistan — The if the guerrillas continued to light He said the cease-fire should be

backed guerrillas, who are known A guerrilla alliance spokesman. a speech by the Afghan leader, Ma- Mohammed Nabi Mohammedi, General Najibullah, to a Cen- called the offer a fraud and said, "The mujahidin reject it."

Mr. Mohammedi, whose alliance parties, said the guerrillas could not trust General Najibullah.

Soviet Move Evaluated Western diplomats in Moscow said Thursday that the cease-fire

offer appears to be part of a Soviet See KABUL, Page 3



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PAGE

FOR WE

CLASSE!

...4

tills groups opposed to Israel. terrorist attacks against our people in occupied Palestine," the statement added.

ly some in the south. it also demanded the release of scheld at the Khiam prison tion is approaching when city services suddenly become more cour-State inside Israel's border security

woman surveying an extraordinary array of sausages at the Central Farmers' Market on Tsyetnoi Bou-

teous and efficient, so Muscovites farmers who offer a greater variety sensed that something was afoot. of food grown on their private plots explained. Moscow was witnessing newest Soviet economic slogan, and enticing fruit, but at still prices competition to drive down the families.

mitiative." — pears at \$6.80 a pound, or a medium-size turkey for \$60. under a government decree, issued

allowed to sell 30 percent of their produce at whatever prices the traffic will bear.

> rot on the farm because of the government's inadequate distribution Under the new policy, the collective farms are allowed to sell 30

Does the new abundance really represent a new efficiency in get-

year in 1953-54 was to celebrate the

In 1987 Greetings To Moscow, Reagan Is Upbeat on Arms

By Bernard Weinraub New York Tunes Service

PALM SPRINGS, California President Ronald Reagan, in a New Year's message to the Soviet Union, has said that the two countries are "closer now than ever before" to an agreement to reduce

In a 10-minute radio broadcast. which the Voice of America transmitted to Eastern Europe on Wednesday, Mr. Reagan said that the United States and the Soviet Union had taken major steps to-ward permanent peace in 1986.

The upbeat comment offered a different assessment of Soviet-American relations than one given in Moscow. On Tuesday, a spokesman for the Soviet Foreign Ministry rejected a proposal that Mr. Reagan and Mikhail S. Gorbachev exchange New Year's greetings over television, as they did last New Year's Day.

The spokesman said such an exchange would be inappropriate in view of what he described as the low state of relations and a deadlock in arms control talks.

After the Soviet rejection, the White House decided to transmit Mr. Reagan's message by radio. Mr. Reagan said that his talks in Iceland with Mr. Gorbachev on Oct. 12-13 had yielded positive re-sults despite their collapse over limitation of space-based missile

In contrast, Mr. Gorbachev, in answers people delivered to Joseph Kinesbury-Smith, national editor of the Hearst Newspapers, expressed disappointment over arms

Mr. Gorbachev said: "People in Washington should finally decide in utter clarity what they want: a runaway arms race or a reduction and elimination of weapons." Mr. Reagan said of the Reykja-

"We did move things a good distance forward. On many issues, we made more progress in those two days than our diplomats made in the last two years. Yes, a great deal of work remains, but both sides are

closer now than ever before." Mr. Reagan did not mention two issues that, according to Soviet spokesmen, have chilled relations. One was Mr. Reagan's decision to stop adhering informally to the provisions of the unratified strategic arms limitation treaty of 1979. The other was his refusal to halt

nuclear weapon testing. In his message, Mr. Reagan seemed to praise Moscow for its decision to end the exile of Andrei D. Sakharov, the nuclear physicist and human rights advocate.

"Whenever there is a restoration of those rights to a man or a woman, as has happened recently," Mr. Reagan said, "it helps strengthen the foundations for trust and cooperation between our two countries. And by the same token, whenever those rights are denied, the foundation is seriously weakened. We welcome progress in this area, as much as we welcome it in the effort to secure nuclear arms reduction."

■ Gorbachev Comments

Celestine Bohlen of The Washington Post reported from Moscow:

Mr. Gorbachev held out hope for progress on arms control, saying that Soviet negotiators at the Gene-va talks would seek a breakthrough still more vigorously" in 1987.

In a brief, written interview with Mr. Kingsbury-Smith, issued Wednesday by the Soviet press igency Tass, he indicated that the Kremlin had not ruled out an arms ement during the last two years

of the Rengan administration. Soviet officials and Western analysts have suggested in the last month that the Soviets might stall the arms talks in Geneva while awaiting a new U.S. administration

On Wednesday, Mr. Gorbachev stressed that the Soviet Union, while "deeply" disappointed by the Reagan administration's stance, was still eager for "real talks" on nuclear weapons reductions. "We pressed for this in Reykjavik and we shall press for it still more vigorously in 1987," he said. "I am convinced that a radical turn in the talks would meet the vital interests of the American people as well."

Specifically, Mr. Gorbachev cited Soviet willingness to negotiate an accord with the United States defining "allowed laboratory research" under the terms of the 1972 Antiballistic Missile Treaty. Disagreement over the extent of research and development activity permitted in Mr. Reagan's Strate-Defense initiative was one of key arguments that dominated the Reykjavik meeting.

Mr. Gorbachev was answering three questions put to him by Mr. Kingsbury-Smith, who has had vritten interviews with every Soviet leader since Stalin.

Mr. Gorbachev's answers stressed the theme of the "interdependence" of the two superpowers. Security nowadays is conceivable only as a mutual one or, to be more exact. a universal one," he said.

Most of the short interview was devoted to arms control, on which Mr. Gorbachev said the "ball is in Washington's side of the court." He said the U.S. stand on arms control after the leeland talks had been "deeply" disappointing and that in Geneva, negotiations had 'even moved backward.'

■ Moscow Relays Excerpts

Mr. Reagan's address to the Soviet people on the Voice of America was heavily jammed the U.S Embassy in Moscow said Thursday, but the official Moscow Radio later broadcast an edited report of it, Reuters reported.

The address, which stressed the importance of human rights, was Wednesday.

The seven-minute Moscow Radio report ran as the eighth item on only one morning news bulletin

It included several directlytranslated excerpts and some of Mr. Reagan's remarks on human rights but omitted, among other things, his comment that not a single American soldier was currently engaged in combat and his expression of regret that an official exchange of New Year messages was



Yitzhak Peretz announcing his resignation to the Knesset. At right is Israel's parliamentary speaker, Shlomo Hillel.

Scientists Break Barrier For Superconductivity

By Walter Sullivan

New York Times Service NEW YORK - After a dozen years of futile efforts to raise the temperature at which materials become superconducting, researchers at the University of Houston and at AT&T Bell Laboratories in New Jersey have achieved sudden and substantial increases.

The ability to achieve superconductivity at a higher temperature is important because it could radically reduce the cost of producing surconductive materials.

The discovery has vast implica-tions for such diverse fields as electrical transmission and generation. energy storage and the generation of fusion energy. It also means that superconductivity, in which materials lose all resistance to electricity, can be more widely applied in scientific research.

In the early 1970s, researchers at Bell Laboratories and Westinghouse found substances that became superconducting when cooled to 23 degrees Kelvin, which is 23 degrees above absolute zero. Absolute zero, the total absence heat, occurs at minus 273 de-

grees centigrade (460 degrees below zero Fabrenbeit). By 1984, scientists working with niobium-germanium alloy had raised this by only one degree.

On Tuesday, Dr. Paul C.W. Chu at the University of Houston reported that under a high pressure of a few hundred thousand pounds per square inch (6.4 square centi-meters), a compound of lanthanum, barium, copper and oxygen becomes superconducting at 40.2

Dr. Chu said at a news conference that his work might yield breakthroughs in which superconductivity could be achieved at 50 degrees Kelvin in the near future

and possibly as high as 77 degrees. AT&T Bell Laboratories, following a similar line of research, reported Tuesday it had produced an alloy that at normal pressure begins its transition to superconductivity at 40 degrees Kelvin and be-

cooled to 36 degrees. Participants in that project, who were reluctant to provide details before applying for a patent, said the advantage to their approach was that high pressure was not nec-

The developments follow a discovery reported in April by re-searchers at the IBM Zurich Re-and that Rabbi Peretz must relist search Laboratory in Switzerland. Ms. Miller merely as a Jew.
Using a combination of copper, oxygen, barium and lauthanum, the researchers achieved superconductivity at 30 degrees Kelvin.

The reports from Bell Labs and Houston are to be published simultaneously in a forthcoming issue of Physical Review Letters.

Until now, liquid helium with a stitutional right against self-in-boiling point of 4 degrees Kelvin crimination. has been the only coolant found apable of keeping the materials at ir superconducting state.

Materials that are superconducting at higher temperatures would allow the use of less expensive liquid hydrogen. If a temperature of 77 degrees Kelvin is reached, inexpensive liquid nitrogen could be used, dramatically lowering costs.

"At that point," Dr. Chu said, superconducting technology would no longer be restricted to to some so-called high-technology, exotic, expensive technology. We can also use it for large-scale appli-

The production of superconductors is a major industry, and more ihan 1 000 metais, alloys and organic compounds have been found to become superconducting.

Most of them do so only at temperatures so low that they must be produced using liquid helium, which requires an elaborate techpology.

The newly reported substances can be cooled by liquid hydrogen, more widely applicable.

According to an analysis published in Naval Research Reviews before the new materials were developed, the federal government ends more than \$15 million annually on research into superconductivity, with one-third of the money coming from the navy.

The analysis predicted a commercial superconductivity market ranging from \$3 billion to \$9 biltion by 1990 and from \$11 billion to \$36 billion by the year 2000.

Superconductivity is already being applied in magnetically levitat-ing the world's fastest trains, in the gigantic magnets used to harness the fusion reactions of the sun and in medical diagnosis through nucle-

It figures in designs for ship pro-pulsion plants and in devices for computers, ultra-high-speed signal processing and data recording that

If used in electrical transmission lines, Dr. Chu said, the technology could save billions of dollars. Su perconductive materials could eliminate enough of the loss of energy to make it more feasible to transmit power from the original energy source, such as a coal field, far from populated areas.

Official Quits U.S. Cardinal Gives Apology In Israel Over To Israel for Canceling Talks **Court Ruling**

New York Times Service

JERUSALEM - Interior Minister Yitzhak Peretz has submitted his resignation to protest an Israeli Supreme Court ruling ordering him to list in the population registry an American immigrant who under-went a Reform conversion as a Jew.

of the Shas party, will go into effect Tuesday at the earliest, the Israeli Meanwhile, political efforts were being made to persuade Rabbi Per-etz to reverse his decision, even though his absence will not threaten the future of the national unity

The resignation of Rabbi Peretz,

government. The small Shas party. made up predominantly of ortho-dox Sephardic Jews, is not a crucial partner in the coalition. The High Court of Justice demanded that I list a non-Jew as a lew," Rabbi Peretz told the radio. "As a Jew and a rabbi loyal to the tradition and Bible of Israel, I have declared and declare again that my hand will never, ever sign for a

conducted according to the Ha-Halakha is the code of Jewish law. The American immigrant, shana Miller, was converted by a Reform rabbi in Colorado Springs before she came to live in

francolent conversion that was not

When Ms. Miller immigrated and applied for identity papers. Rabbi Peretz agreed to list her as Jewish, but added alongside her religion the word "converted." The Israeli Sopreme Court ruled Dec. 2

IRAN: Funds Missing

(Continued from Page 1)

Colonel North and General Secord controlled two Swiss bank accounts that have been linked to the Iran arms sales. The accounts have been frozen by the Swiss government at U.S. request.

Meanwhile, congressional sources said Wednesday that the first public hearings on the Irancontra affair by two, new select House and Senate investigating committees may take place as early as February.

The two chairmen, Senator Daniel K. Inouye, Democrat of Hawaii, and Representative Lee H. Hamilton, Democrat of Indiana, plan to obtain authorization and funding early next week. The rest of January is expected to be used to set up staffs and begin detailed probes of his presidency, they said. into various elements of the affair: Information developed by the Senate and House intelligence committees will provide the basis for initial

hearings, the sources said. The staff of the Senate Select Committee on Intelligence has completed a detailed chronology of events and plans to circulate it which is technologically less de- among members so they may determanding and they are therefore mine whether it should be sent to the Reagan administration to be declassified for publication.

The House Armed Services Committee, which has been looking into the transfer of Pentagon material to the Central Intelligence Agency for shipment to Iran, is also close to winding up its brief inquiry. Chairman Les Aspin, Democrat of Wisconsin, plans to publish a report on the panel's findings.

■ Swiss Plan More Steps Swiss authorities have said that

they would take further steps early in the new year to freeze accounts controlled by Colonel North and others involved in the covert arms sales to Iran, The New York Times reported from Geneva.

They said Tuesday that they would simultaneously lift banking secrecy regulations covering the ac-

Study of the records is crucial to U.S. Justice Department investigafrom the arm sales were funneled to Nicaragnan rebels, and if so, how

Officials of the Swiss Ministry of spray water across the huge central Justice and Police in Bern said they received a French translation of a morning. The icy surface made it formal request made just before difficult for any demonstrator Christmas by the U.S. Justice Demove with speed or certainty. partment seeking Swiss government help in blocking the accounts.

By 10 A.M., about 300 to 400 students had gathered in small

New York, apologized Thursday from a church pulpit for canceling meetings with Israeli leaders and said he wished them "nothing but Cardinal O'Connor, who walked across the Allenby Bridge over the Jordan River from Jordan, to enter the Holy Land earlier in the day also issued an indirect call to Israel to recognize Palestinian rights to a homeland and urged an end to ter-

EXECUTE: Lebanese Jews Killed

(Continued from Page 1) ish community say at least seven Jews are missing and feared kid-

another development, the wife of Marcel Fontaine, a kidnapped French diplomat, said Wednesday that she hoped his abductors would let her deliver a New Year message to her husband following her arrival with their son in Beirut.

"I wish the kidnappers would treat the hostages as political pris-oners, and let their families deliver messages to them." Elaine Fon-

Her husband, a 43-year-old em-

bassy vice consul, was seized in Beirut on March 22, 1985. The pro-Iranian Islamic Jihad has said it holds Mr. Fontaine along with with two other Frenchmen, Marcel Carton, a diplomat, and Jean-Paul Kauffmann, a journalist. It has said it killed Michel Seurat, a French Arabist researcher, but his body has not been

JERUSALEM — Cardinal John

"Every human being is endowed

with certain fundamental and in-

alienable rights," he said during Mass at the 19th century Francis-

can Church of St. Savior in Jerusa-

"If people ignore those rights, refugees will remain in camps, the

J. O'Connor, the archbishop of

The group, which has demanded the release of 17 Arabs imprisoned in Kuwait for political violence and seeks an end to French military aid to Iraq, has said it also holds two Americans. The five are among 18 foreigners missing in Lebanon.

Reagan's Political Aide Will Resign, Friends Say

By Jack Nelson Los Angeles Times Service

WASHINGTON - Mitchell E. Daniels Jr., who clashed with the White House chief of staff, Donald T. Regan, over his handling of the Iranian arms affair, plans to resign soon as President Ronald Reagan's chief political assistant, sources close to Mr. Daniels said.

Mr. Daniels's position at the White House has become increasingly untenable since he told Mr. Regan privately Dec. 5 that he agreed with Republican congressional leaders that Mr. Regan had become a political liability, the

He urged Mr. Regan to resign to give the president a chance for a fresh start" in the final two years

The president has said he will not dismiss Mr. Regan, and the chief of staff insists that he will not resign. But some administration sources

fices that are vacant or will soon become vacant indicates that he is uncertain about his future or is planning to resign soon. "The hypothesis," a senior ad-

ministration official said Tuesday, "is that he's taking the responsible course by delaying choices until he's clear about what his own situation is going to be."

Mr. Regan, who has been in Florida for the holidays, was not available for comment.

Mr. Daniels, 37, refused to comment on his plans. According to a friend of his, Mr. Daniels has said he will resign shortly regardless of that the Holy See would be consid-Mr. Regan's plans, but he would be ered an objective enough party and willing to remain for a brief period a party so obviously devoted to

"He said he's had it and he's going back to Indianapolis, probably to join a law firm that offered him a partnership a couple of years say that Mr. Regan's delay in filling ago," the friend said.

ne in misery," the archbishop said "I hope to be heard by those who practice violence and terrorism I g you to turn away from the

killings."
Cardinal O'Connor's visit to Jerusalem prompted controversy when the prelate called off scheduled meetings with Prime Minister Yitzhak Shamir and Foreign Minister Shimon Peres in Jerusalem

The Vatican does not have relations with Israel and refuses to recognize Israel's claim to the disputed city of Jerusalem as its capital. The city is also claimed by the Ar-

Jerusalem after its 1948 war of independence and captured eastern Jerusalem from Jordan after the 1967 Middle East War.

It is imperative that I let you know that because of my haste in preparing my visit here and my newness to my current responsibil ity. I failed to be sufficiently thorough and to familiarize myself with the protocol," Cardinal O'Connor told the 400 people who attended

Because of that error, unfortunately, it is quite understandable that the people of Israel and the leaders who govern them might have construed a deliberate offense

on my past," he said. "Nothing could be further from the truth," he added. "I deeply regret and certainly apologize for any offense that might have been per-

Speaking of Israel's leaders, he said, "I bear them nothing but love and wish them nothing but peace." But he added: "Whatever compensation can be made during my visit will be made within the restriction

that bind me. Cardinal O'Connor was met by representatives of the Israeli Religious Affairs and Foreign Ministries after walking across the bridge

Thursday morning. Wearing a red-and-white robe, he entered St. Savior's Church led by a procession of choir boys sing-ing hymns before delivering a 35ate sermon.

Mr. Shamir and Mr. Peres have decided against meeting the cardinal outside their offices, their

■ Peace Conference Sought

Cardinal O'Connor suggested Wednesday that the Vatican might sponsor an international Middle East peace conference. The Washington Post reported from Amman

Emphasizing that he had not discussed the idea with Vatican officials, he asked: "Is it conceivable See could arge that such a conference be held and sponsor it?"

He said he was likely to present the idea to Pope John Paul II in Rome after his visit to Israel.

CHINA: Protesters Cross Police Lines in Beijing Square

(Continued from Page 1) influenced students elsewhere in

the country. Some observers predicted that the New Year's Day demonstration would bolster the morale of protesters in other cities. The demonstration began Thurs-

day morning after small groups of students entered Tiananmen Square to face a massive police presence. The police had been preparing for that moment for days. The Beijing city government had sought to make Tiananmen Square

off-limits last week by announcing stricter regulations for demonstra-tions and ordering protesters to stay away from four key locations in the capital.

One of those sites was the Great Hall of the People on Tiananmen Square, the huge Soviet-style build-ing where the National People's ngress, or parliament, meets.

By 8 A.M., the police had marched forward from the center tors to determine whether proceeds of the square in sub-freezing weather and formed a cordon in anticipation of the arrival of the students. The government also had a truck

> difficult for any demonstrator to groups in one section of the square that remained open across from the

section of the square early in the

Forbidden City. Fifteen minutes later, the police began to disperse the students, but the crowd began swelling and the students who were pressed into one small section of the square began trying to move outward.

At 10:40 A.M., several hundred of them broke through police lines and surged toward the Monument the east side of the square onto the Avenue of Eternal Peace.

Demonstrators unfurled banners for the first time. One banner called for opposition to "conservatives" in the government, a reference to senior government officials and ared over so many decades by so Communist Party members who many generations. are believed to oppose the economic reforms introduced by China's top leader, Deng Xiaoping.

Another banner urged support Some demonstrators began ries resulting from New Year's rev-chanting in favor of freedom of the elry, authorities reported Thurs- press, echoing a call that has been heard in a number of cities outside

The students have been pressing 31 deadline to act against Pretoria, for full and fair Chinese press cov-

erage of their protests and de-mands. Ing University, to demand the re-lease of four students who they said

The government-controlled press mostly has ignored the stu-dents' demands. State-run television has carried extensive coverage of the damage caused by demonstrators in the cities of Shanghai and Naujing.

There was no evidence that anythe crowd surged through the police lines Thursday. But both sides nation," The Associated Press rewere involved in some scuffling. ported.]

The unrest began building again Thursday night as about 2,000 surguarantee that there would be no dents gathered outside the office of retaliation against the individuals Ding Shisun, the president of Beij- who were detained.

had been detained at Tiananmen Foreign witnesses had counted 15 students being arrested by the

police. Students estimated the number of detainees at 24. The official news agency Xina reported that university offione suffered significant injury as cials returned the detainees to their schools after "education or exami-

The students also demanded a

BOTHA: Pretoria Plans Elections

held in the near future in a number of constituencies. It is consequently preferable to hold a general elec-tion for the House of Assembly in

the coming year."

He did not say whether the vote would be held under the nation's newest emergency decree, in force since June 12, which makes it an offense to oppose or resist the authorities in their handling of the nation's crisis. South African political commen-

tators have suggested that Mr. Botha, 70, and reportedly concerned about his health, wishes to cement his party in power among white voters before stepping down and leaving to others the job of continuing his program of cautious change in racial policies.

That program has all but stalled during the nation's unrest. While the authorities have scrapped some apartheid legislation, such as the pass laws inhibiting black access to the fringes of white cities, they have to the People's Heroes. The police balked at further changes in such laws as those that segregate schools and residential areas. Referring to foreign pressures to

accelerate change, Mr. Botha said. "We dare not yield to the irresponsible and often superficial demands which will destroy everything cre-

■ Mugabe Promises Move Prime Minister Robert Mugabe

of Zimbabwe has reiterated a vow to impose sanctions on neighboring South Africa in support of global efforts to end apartheid, Reuters reported from Harare, Zimbabwe. Mr. Mugabe told his untion Wednesday night that although he could not meet a self-imposed Dec.

to brace for hard times ahead. Mr. Mugabe and President Kenneth Kaunda of Zambia committed

themselves to implementing before the end of 1986 a limited Commonwealth embargo on Pretoria agreed last August, severing air links and trade in steel, fruit and vegetables with South Africa. The two leaders had been expected to make simultaneous announcements Wednesday night on

"soon" and asked his countrymen

what sanctions they planned to impose. But Mr. Kaunda did not deliver his customary New Year address and some regional analysis speculated this indicated differences between the two men on the crucial sanctions issue.

Mr. Mugabe, in his 45-minute televised speech, which was delayed for more than two hours for

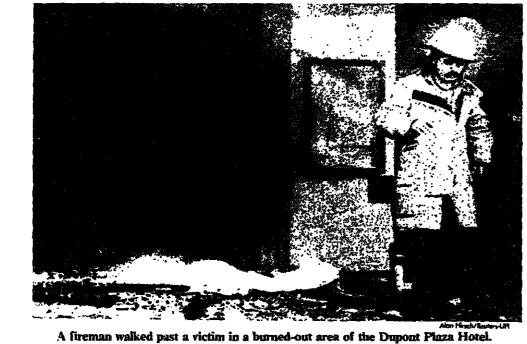
unexplained reasons, said: "The sanctions will be implemented soon but now obviously no longer at the end of December 1986 as earlier expected because our task force charged with the duty of coordinating various relevant aspects and areas still needs a little more time to complete its task."

South Africa has made clear it will take punitive action on neighboring black states backing the trade embargo.

Dublin Explosion Kills 2 in Apartment Building

The Associated Press DUBLIN - Two explosions seriously damaged a Dublin apartment building on Thursday and killed at least two persons, the po-

The cause of the explosions was not known, the police said, but a gas leak was the most likely possi-bility.



FIRE: At Least 43 Die

(Continued from Page 1) visited the hotel, but did not identi-

fy the source of the information.)

On the basis of a suspicion, one

tends to think this matter arises from the labor situation existing in this notel," Governor Rafael Hernandez Colon said at a news conference. However, José Cádiz, secretarygeneral of the hotel workers' union,

said: "I categorically reject that

we're dealing with sabotage that's anti-union talk." Mr. Rivera Cruz, asked about reports that three incendiary devices set off the fire, said: "I'm not

denving that." "We have some theory of the blast that cannot be released specifically at this moment," Mr. Rivera Cruz said. "Olwiously, our investigation is not saying that this is an accident. At this moment we don't have a conclusion; we have a

Recent Major Hotel Fires

PARIS — The fire Wednesday at the Dupont Plaza in Puerto Rico is the worst hotel fire since 85 persons died in Las Vegas in 1980. Here is a list of hotel fires that killed 30 or more persons in the past

December 1971, 166 dead at the Teykon Kak in Seoul November 1980, 85 dead and 704 injured at the MGM Grand in July 1979, 76 dead and 113 injured at the Corona de Aragon in

November 1977, 47 dead and 16 missing at the Manila Hotel in November 1980, 45 dead at the Prince in Kawaji, north of Tokyo. February 1977, 42 dead and 90 injured at the Rossiva in Moscow. January 1986, 38 dead at the Siddarth Continental in New Delhi.

May 1983, 36 dead and 65 injured at the Washington in Istanbul.

January 1984, 36 dead and 70 injured at the Dae-A in Pusan, South

September 1973, 35 dead at the Hafnia in Copenhagen. May 1977, 33 dead at the Polen in Amsterdam.

guished within the past several ployee of the nearby guest house at days, and that security agents were posted on every floor.

ple from Detroit, told the Miami about going there. There is going to Herald that they had abandoned be a bombing. I asked him why, plans to spend Wednesday after- and he said there were union-labor

which they were staying

Mrs. Fenner said the man had Steve and Freda Fenner, a cou- told them: "Don't you even think Hotel guests said that several moon at the Dupont casino after negotiations going on and there is on the horizon of our age as we fires were discovered and extin
receiving a warning from an emalways trouble."

on the horizon of our age as we prepare for the third millennium of

POPE: Marian Year Is Announced the Christian age," the pope said (Continued from Page 1) Thursday. John Paul issued a 20-page mes-

tion of the dogma of the Immaculate Conception. The church teaches that Mary was born free of original sin, that she conceived Christ by an act of

divine intervention and that she

was assumed bodily into heaven. The Polish-born pope has shown a special devotion to the Virgin, often traveling long distances to visit important Marian shrines like Lourdes in France or Fatima in Portugal, where the Virgin is believed to have performed miracles.

bishops around the world had been informed of the pope's plan for the Marian year. Rather than requesting pilgrim-ages to Rome, the statement said each diocese would be organizing seminars, charitable projects and

religious events centered on Mar-

A statement issued by the Vati-

can on Thursday said Catholic

ian shrines during the year. "O Mary, we want you to shine

sage on Dec. 11 in honor of the World Day of Peace, in which he begged terrorists to cease using violence to further their political aims

even if their goals were just. The message, delivered to governments around the world, also cited the arms race, closed frontiers, Third World debt problems and technological advances as threatening world peace.

The Associated Press NAPLES - Fireworks killed an elderty man in a house fire and for Mr. Deng and for his moderninjured 136 people in the Naples ization program. area, which again led Italy in inju-

Man Killed, 136 Hurt

In Naples Festivities

In Rome, 26 people were brought to hospitals with injuries caused by fineworks.

WORLD BRIEFS

Sikh Militants Kill 6, Hurt 5 in Punjab

NEW DELHI (AFP) - Sikh militants have killed ax persons and sounded five in Punjab state, the Press Trust of India reported Thursday,
A Sikh and his wife were shot to death early Thursday at their home in the village of Daula in Faridkot district by two Sikh gunnen. Sikh militants also shot and killed a Hindu employee of the Punjab State Electricity Board near a village in the border district of Gurdaspur. Two other employees of the electricity agency and a Hindu merchant were killed late Wednesday in similar attacks in Amritsar and Gurdaspur. Among those wounded in the attacks by Sikh separatists were a Hindu leader of Prime Minister Rajiv Gandhi's Congress (I) Party and his assistant, who were shot Thursday in the industrial town of Ludhiana.

French Rail Service Still Curtailed

PARIS (Reaters) - A strike that has crippled France's railway service for more than two weeks continued Thursday despite hopes raised by the withdrawal of a disputed pay structure.

Officials at the state-owned SNCF rail system said only mining ACTVICE was available as meetings of striking workers were scheduled for Thursday and Friday throughout the country.

After talks late Wednesday, François Lavondès, the government m ator, announced that a management plan for a new pay structure based more on merit than seniority "no longer existed" but union leaders said. Thursday negotiations would still go on over working conditions.

50 Libyan Soldiers Killed, Chad Says

NDJAMENA. Chad (AP) - Chad government troops have inflicted "heavy losses" on Libyan forces around the northern locality of Zouar, the army high command said Thursday, in the first confirmation that government troops had entered action against the Libyans.

Combat in the arid northern Tibesti mountain region has previously been reported only between the Libyans and their former Chadian allies loyal to former President Gonkouni Queddei.

A high command statement broadcast by the Chad radio said 50 Libyan soldiers were killed and 14 captured in the fighting around Zouar, which was previously captured by Libyan troops, with two Soviet-built T-55 tanks destroyed and one T-55 and a quantity of small arms captured. It said the government forces suffered two wounded with one vehicle destroyed

3% of U.S. Men in Jail or Supervised

. WASHINGTON (UPI) — Three of every 100 American men were in prison or on probation or parole at the end of 1985, the Bureau of Justice Statistics said Thursday.

A total 2.9 million people were incarcerated or were on probation or parole at last year's end, an increase of almost 17 percent from 1983, said the bureau, a Justice Department agency, in a report. In 1983, 2.5 million people were under federal, state or local correctional supervision, the

report said.

Of those under supervision in 1985, 74 percent were on probation or parole, and 26 percent were in prisons or jails. Almost 87 percent of the 2.9 million people were male, meaning 3 percent of adult American males were under supervision of the criminal justice system, the report said.

Scientologists Are Sued for \$1 Billion

LOS ANGELES (LAT) - Disaffected members of the Church of Scientology filed a \$1 billion class action lawsuit against the organization Wednesday, accusing its late founder, L. Ron Hubbard, and a group of his aides of plundering church coffers, intimidating critics and breaching the confidentiality of sacred confessional folders.

The lawsuit, filed in Los Angeles Superior Court, comes at a time when the church had hoped that its legal wars with its critics had been put largely to rest. Two weeks ago, the organization reached settlements reportedly amounting to millions of dollars, ending litigation brought against the controversial group by former members across the nation. The latest suit was filed by six former members and Freedom for All in Religion, an organization that claims to speak for as many as 400 former Scientology followers. It charges, among other things, that more than \$100 million in church funds were "illegally and secretly diverted" for Mr. Hubbard's personal use between 1972 and 1982.

Iran Says U.S. Cut Off Payment Talks

TEHRAN (Renters) — An Iranian official has said financial talks in. The Hague with United States representatives had been suspended due to a "unilateral and abrupt" decision by the Americans, the Tehran radio

Delegations from the Iranian Central Bank and the Federal Reserve Bank of New York met on Monday within the framework of the Iran-U.S. Claims Tribunal to decide on terms for repayment by the United States of more than \$500 million to Iran. The decision to interrupt the talks was made Wednesday.

The American side had "no excuse not to return the Iranian assets," the radio quoted an Iranian official as saying. "Yet they suddenly and with no justification broke off in the middle of the talks, ostensibly for sultation with American authorities," he added.

For the Record

John T. (Terry) Dolan, 36, the conservative U.S. fund-raiser who died Sunday of congestive heart failure, suffered from acquired immune deficiency syndrome, sources said. Mr. Dolan was co-founder of the National Conservative Political Action Committee.

The death toll from a gas explosion and fire Saturday at a huxury hotel in Garmisch-Partenkirchen, West Germany, has risen to nine, police said

Italy's three main trade union confederations have called off a general strike after reaching agreement with the government on the terms of new work contracts for millions of state employees. (Reuters)

rights commission would review in the next three months the cases of ed the government's repressive

Congress Faces Unexpected Rise in Costs of Benefit Programs

By Robert Pear New York Times Service

WASHINGTON - New estimates by the Congressional Budget Office show that the cost of government benefit programs is increasing much faster than had been ex-

Benefit programs account for nearly half of all U.S. government spending. In August the budget office estimated that the cost of these programs would rise from \$467 billion in the current fiscal year, 1987, to \$499 billion in 1988 and eventually to \$593 billion in 1991.

Aides to Rudolph G. Penner, director of the Congressional Budget . Office, said Wednesday that the new estimates were \$10 billion to \$15 billion higher for 1987 and for the benefit programs.

higher for 1991.

These figures suggest that it will be difficult for Congress to meet the deficit targets set in the budget-balancing law signed by President Ronald Reagan in December 1985. The targets are \$144 billion for 1987 and \$108 billion for 1988. Under the law, the budget is supposed to be balanced by 1991.

Mr. Reagan plans to submit his 1988 budget to Congress on Monday. His budget director, James C. Miller 3d, has said that the president's budget would show a deficit of no more than \$108 billion in 1988. Estimates of the cost of bene-. fit programs have not yet been made public, and the budget does not contain a figure combining all

General Humberto Rega-

lado Hernández has been

chosen to head the Hondu-

ran armed forces until

1990. General Regalado

had been the acting chief.

New U.S. Projects

Start in Honduras

New York Times Service

WASHINGTON - More than

1,000 U.S. military engineers have

begun new maneuvers in Honduras

to improve airfields and a cause-

The department said Wednesday

continuation of, rather than an in-

crease in, the U.S. military pres-

ence in Honduras.

Democrats will be under new pressure to restrain the growth of domestic programs that they might otherwise want to expand. Democrats in the Senate and the House have begun drafting legislation to expand spending on welfare and on Medicare and Medicaid, the medi-

disabled and poor. The increased cost of benefit programs appears to result in part from decisions by state officials to expand social welfare programs such as Medicaid.

cal and programs for the elderly.

In the Medicaid program, which helps the poor, states set eligibility criteria and define the scope of benefits within guidelines set by federal law. In the last year, many

gressional Budget Office mean that gibility or increased benefits to prices of agricultural commodities provide more assistance to preguent as com, wheat, noe and cot-ment women and children from ton. Aides to Mr. Penner said the low-income families.

> ment pays at least half the costs of Medicaid and Aid to Families with Dependent Children, the main fedcral-state welfare program.

dent loans and unemployment compensation, people are entitled to benefits if they meet certain eligibility requirements set by law. In of financial need, But in others, people can obtain benefits regard-less of their income or assets.

Several of the programs provide

In each state, the federal govern-

Under the major benefit programs, such as Social Security, su-Reagan's budget would show revenue dramatically different from that estimated by Congress when it approved a major tax bill in Sepsome of the programs, there is a test tember.

such as com, wheat, rice and cotprojected costs of these programs had risen substantially above the levels estimated in August: \$19.7

billion for 1987 and \$21.6 billion for 1988. But they said the new figures would not be disclosed for at least a week. Administration officials said Mr.

At that time, the Congressional Joint Committee on Taxation compared the new measure with prior law and concluded that it would

The latest estimates by the Constates have expanded Medicaid eli-gressional Budget Office mean that gibility or increased benefits to prices of agricultural commodities but \$17 billion less in 1988.

But Mr. Reagan's budget, using estimates developed by the Treasury Department, says the new law will produce a bigger gain in 1987, \$18 billion, and no loss at all in

David H. Brockway, head of the joint committee staff, said the panel had not changed its estimates.

The Treasury's figures have political implications because they would make it easier for the president and Congress to reduce the deficit in 1987 and 1988. But in later years the Treasury's estimates would have a different effect, because they show smaller gains in revenue, or more of a loss, than the joint committee's estimates.

TRADE: Record U.S. Deficit

(Continued from Page 1)

doubt on this. It also gave fresh ammunition to the argument that too little attention had been paid to the fact that the dollar has not fallen much, if at all, against the currencies of such major trading partners as Canada and Mexico, and such increasingly important Asian exporters as Taiwan, South

Korea and Hong Kong.
U.S. exports, meanwhile, fell 3.8
percent, to a total of \$18.6 billion. November than was only the second month — the first was July in which imports outpaced exports by a 2-1 ratio.

The November report also pushed the deficit for the first 11 months of the year to \$159.1 bil-lion, eclipsing 1985's record \$148.5

The record deficit with Japan reflected a sharp increase in imports
- to \$8.7 billion, from \$7.3 billion -and a decline in exports, to \$1.99 billion, from \$2.28 billion.

The deficit with Taiwan, \$1.76 billion, was larger than that with any European country, and the deficits with South Korea and Hong Kong, both just under \$825 million, were bigger than that with any European country except West

The deficit with Canada soared to \$2.8 billion in November from \$1.6 billion in October, the Commerce Department reported.

in the key manufactured-goods sector, the U.S. deficit widened to \$16.7 billion from \$11.1 billion.

Cuomo Sets Trips Around the U.S.

New York Times Service ALBANY, New York -- Governor Mario M. Cuomo, widely re-

garded as a possible Democratic presidential candidate in 1988, said soon to Iowa, Florida, Louisiana California and North Carolina and that "there will be more" national trips by mid-1987.

Mr. Cuomo, who has said repeat. edly that he is not running for president, denied that the trips were linked to a race for the White

"There is no basis to say I'm being coy about running for president," Mr. Cuomo said. "If I chose to explore the presidency, I wouldn't do it in a backward way. I'll say I'm exploring the presiden-

Reagan Lauds UN Changes, Vows to Seek Funds after the General Assembly apgress to restore all of the \$110 milproved the package of organizalion cut last year. These officials unanimously, or by consensus.

New York Times Service proved the package of organiza-UNITED NATIONS, New tional changes, "There was a sea York — President Ronald Reagan change in attitudes" in the adminis-would ask Congress for a supplehas praised organizational changes tration. recently adopted by the General Assembly as a "historic step" and changes, and he telephoned Mr. said he would ask Congress to end financial cuts that pushed the Unitcongratulate him on the package. ed Nations close to bankruptcy, which was unanimously adopted United Nations and American offi- by the General Assembly three cials said

Mr. Reason, in a statement made bitter closed-door debate. public here Wednesday, said, "The United Nations took an historic step to adopt sweeping reforms of \$210 million assessment for 1986, or more than 10 percent of the UN

Noting that his administration had long pushed for such changes, the president added, "We are very sed that these measures have

finally been adopted." UN officials said they regarded Mr. Reagan's statement as the clearest indication of the administration's support for the United Nations in the aftermath of extensive congressional budget cuts that phonged the organization into the

worst financial crisis of its 41-year ustory. "This is the most positive statement of support for the UN to come out of the Resgan adminis-tration," said the chief United Nations spokesman, François Giu-liani. "We're delighted to see that the genuine effort at reform has not

gone unnoticed." way, the Defense Department has Secretary-General Javier Pérez de Cuellar, who has sharply criti-cized the Reagan administration cized the Reagan administration for what he said was the failure to that the maneuvers represented a pay its dues and the breaking of its commitment to the UN Charter, also praised Mr. Reagan's state-The engineering tasks are being ment. "I am satisfied with the posidone at San Lorenzo, Punta Ratón tive reaction of the U.S. adm and Jamastran. This means the tration," Mr. Giuliani quoted the work will be done relatively close to secretary-general as saying. "I'm counting on the efforts of the adthe Nicaraguan border, although Pentagon officials said that U.S. ministration to obtain the necestroops would not go closer than seven miles (1) kilometers) from sary funding for the United Na-

Mr. Reagan was pleased by the sembly includes a key demand of the United States: that the big do-nors have a larger voice in deciding how the United Nations spends its days earlier after months of often

The United States owes the United Nations \$110 million of its budget of \$800 million. Congress cited the need for organizational

change as justification for the cuts. Even if Mr. Reagan puts pres-sure on Congress to change its atti-tude toward the United Nations,

UN officials are pessimistic that he will succeed in persuading Con- added to by the Assembly. The in January.

By Bernard Gwertzman New York Times Service WASHINGTON - The Reagan idministration has decided to press Congress for a 7.8 percent in in its \$16.6 billion foreign affairs budget for this fiscal year, and a

gress in the foreign affairs budget had "cut the legs right out from under us," has agreed to take the lead in the public relations effort for the \$1.3 billion increase, the officials said Wednesday.

cindes money allocated to foreign aid international lending institutions, embassy protection and One American official said that of the requested increase would go

gram and Coordination a key role in preparing the budget. The committee will now receive budget proposals a year in advance,

To accomplish this goal, it gives the 21-nation Committee for Pro-

mental appropriation of \$42 mil-

lion for 1986 and the full assess-

ment of \$212 million in dues that

the United States owes for 1987.

The resolution passed by the As-

set a ceiling on the budget, decide on its content and set a limit on appropriations that could be later

unanimously, or by consensus.

This would give each of the committee members a veto, and thus more power to major donors, like the United States, represented on the committee. Until now, each of the 159 member states of the Assembly had one vote on budget

The American cuts affected the United Nations deeply, and it end-ed the year with only \$10 million, enough for only a few days' operations, according to UN officials. Several countries have promised to

pay their dues for 1987 early. Canada will pay its full 1987 contribution of \$21 million on Friday. And France, the Soviet Union and the Nordic countries - Denmark, Norway, Sweden, Iceland and Finland - have also said they will make partial or full payments

White House to Seek More Foreign Aid

modest rise next year, State De-partment officials said. Secretary of State George P. Shultz, who has complained publicly that sharp reductions by Con-

The foreign affairs budget in-

officials said.

The administration had originally sought \$22 billion for its foreign affairs account in the current 1987 to Spain, in addition to the \$105 fiscal year, but Congress cut it to million allocated already. \$16.6 billion. Because Israel and Turkey would receive \$

The alternative to such cuts would be for Congress to approve a be announced is the target of \$19 billion for the overall foreign affairs budget for the 1988 fiscal year, which begins next Oct. 1.

A major reason for the supplemental request was to meet commitments to allies that permit overseas radio broadcasting. Most rights for U.S. bases, officials said. The request includes \$50 million

for economic and military aid, the in military grants for the Philippines, doubling the amount previ-ously allocated for 1987. It calls for \$200 million in low-interest credits

Turkey would receive \$125 mil-Egypt were guaranteed by Con-lion in military grants in addition gress to receive \$3 billion and \$2.1 to the \$490 million approved in the billion respectively, this has led to regular 1987 allocation for grants drastic cuts in funds for other na- and loans. Portugal would receive \$30 million in grants.

In addition, the supplemental re-quest includes \$297 million in cash supplemental request, which is to grants above the \$3.55 billion pre-be announced on Monday. Also to viously approved. This includes viously approved. This includes \$50 million to help South Africa's neighbors put into operation a railroad ending in Mozambique to avoid the need to use South Africa's ports. The supplemental request would also provide an additional grant of \$200 million for Guatemala, El Salvador, Honduras

Forget them not. House. But many national Democratic figures said they viewed his travel plans as the early stage of a

Sept. 7 following an attempt to assassmate General Pinochet. The government gradually has lifted the restrictions in most of the country, but they remain in force in Santiago and two sparsely populated re-The authorities have contended that the siege was necessary to help nation attempt. That purpose "has been fully achieved," General Pi-nochet said Wednesday. Five men

A PROPERTY

You've shared so many memories with so many people in the States. It would be a shame to leave them all behind. So pick up the phone, And let AT&T help you pick up where you left off.



KABUL: Truce Is Offered

SANTIAGO -- President Au-

gusto Pinochet has announced that

the state of siege in Santiago and

two other areas will end Tuesday

and that thousands of Chileans liv-

ing abroad in forced political exile

In his year-end message, he said

General Pinochet, 71, said that a

government-appointed human

Wednesday that he made both de-

cisions "in a spirit of promoting national unity."

will be allowed to return home.

(Continued from Page 1)

effort to lay the groundwork for an eventual reduction of its military presence there, The New York Times reported.

If actually carried out, the plan for national reconciliation outlined by General Najibullah would reduce internal tensions and make Afghanistan's domestic policies more acceptable to Western govemments, the diplomats said.

Western diplomats said that the Afghan leader, who visited Moscow in December, appeared to taking the initial steps in a Sovietinspired plan to give Alghanistan at least the appearance of greater autonomy and internal democracy.

The Soviet leader, Mikhail S. Gorbachev, has said that the Mosreduction of Soviet troops, according to the Western diplomats.

million bottles in the first 11 months of 1986.

FETE: Rare Cornucopia in Moscow

(Continued from Page 1) leaders to divert goods from other cities? Does this signal any relief for the interminable lines, surly sorvice and meager selection Muscovites endure the rest of the year? Impossible to tell. But for a few

Pinochet to End State of Siege in Chile

the country for political reasons.
He said that "most of them"

would be authorized to return,

leaving out only "a minimal num-

ber of Chileans who still pose a serious threat to our national life."

authorities would watch those au-

thorized to return to prevent them

from "disturbing internal peace."
Thousands of Chileans went into

extile after the 1973 military coup

that brought General Pinochet to

The general also warned that the

days Moscow became a showplace of what Mikhail S. Gorbachev calls the new economic thinking. Muscovites are also finding it a little easier to fill their glasses this

season for holiday toasts. Liquor stores, their hours cur-tailed as part of the campaign against drunkenness, now stay open an hour later, and Sunday hours have been resumed, apparently in response to public grum-

For those who can do without wine or vodka, Moscow is awash in champagne. Even as the government was reporting last week that vodka and wine sales had been curcow wants to withdraw its forces tailed by higher prices and shorter from Afghanistan. Increased stability in Afghanistan, and en-Hungarian imports and the sweet-hanced credibility for the govern-ish bubbly from domestic factories Hungarian imports and the sweetment, could smooth the way for a - have remained constant, 212

in the investigation of the assassi-

have been arrested and charged in

connection with the ambush of

Recently the government began permitting sales of sparkling wine in grocery stores and fruit juice s in Moscow, where it is available without waiting in long lines.
"Initiative" has so far not brought even temporary relief for other consumer items, judging by the grumpy crowds lined up to buy New Year's gifts in department

At Detsky Mir, the children's department store, aisles were congest ed and the mood was anything but

The wait for toy trains appeared to be at least two hours, not counting a separate trip to the cashier to pay for it, and a return to claim the

China Produces Nuclear Sub United Press International BELING - China's first do-

mestically designed and built nuclear submarine successfully completed its maiden voyage and ha gone into active service, the official People's Daily newspaper said

حكنامت الأصل

At a Loss for Words

mgs has to be negotiated between two countries, you know that relations are in the uncertain-to-taut range. Still, there is instruction if not pleasure to be taken from the failure of the United States and the Soviet Union to find a way to do it this time around. President Reagan had proposed a repeat of last year's televised exchange, intending to use his rare direct and unjammed access to the Soviet people to convey the upbeat view of Soviet-American prospects that he holds these days. But Mikhail Gorbachev apparently has had his fill of "openness" for now. Turning off the tap - openness remains something that flows from a Kremlin tap - a spokesman complained that there was no reason for pumping up an unwarranted optimistic tone.

To Mr. Reagan, taking a positive view of Soviet-U.S. relations makes a certain political sense: It allows him some relief from the heaviest pressures his administration has known. To Mr. Gorbachev, taking a more negative view makes some diplomatic sense: the better to encourage the Western public to induce the White House to change some of its disputed arms control ways.

This is "spin control" gone international. This leaves open, of course, what the real prospects on the Soviet-American front are. We tend to the more positive view. There is considerable friction in the relationship -

When an exchange of New Year's greet- on top of the deeper divisions of value and system. Especially is this so in arms control, the area of great-power affairs most accessible to diplomatic treatment. Yet the friction in this area arises particularly from a mutn-

al effort to find a common path.
The Soviet-American relationship is not moving inexorably toward crisis, as has sometimes seemed to be the case. The relationship is not drifting aimlessly, not now anyway. It is not stalemated. On both sides. although not on every day and in every way, the leadership appears committed to looking for a better way, not to abandoning the respective national interest but to serving it through greater cooperation. This is hard, and it occasions a constant quest for bargaining advantage and public leverage. That is what is on view in the sparring over the New Year's greetings.

At some not too distant point, sparring must give way to direct dealing over central issues. Suspicions of the other's sincerity are deep. President Reagan's recent embarrassments entitle the Russians to wonder, as many Americans wonder, whether his administration will be ready to do its part in coming to decision. But this was Mr. Reagan's burden before his troubles. At this point the president still has it within his reach to help make an exchange of greetings a sure thing a year hence.

_ THE WASHINGTON POST.

Gorbachev and Kabul

As the Afghanistan war grinds into its eighth year, Moscow seems of two minds about its bloodiest encounter since World War II. Mikhail Gorbachev feeds hopes of withdrawal and reconciliation; he permits open criticism of the war by Andrei Sakharoy. Yet there are only token reductions of a Soviet occupation army of 110,000. The investment in roads and bases implies a policy of absorption and annexation.

The costs in life are bitter, most unforgivably for the Afghan people. Hundreds of thousands are dead; perhaps five million, a third of the population, have fled to Paki-stan and Iran. Yet resistance is unabated. So is the world's denunciation of an unwarranted attack on a nonaligned neighbor.

The Soviet posture confirms an adage attributed to the late William Ralph Inge, dean of St. Paul's Cathedral in London: "A man may build himself a throne of bayonets, but he cannot sit on it." It is not yet Mr. Gorbachev's throne; be has made cautious moves toward extrication, installed a new leadership in Kabul and made overtures to non-Communist Afghan exiles. Soviet television no longer ignores the war, but even reports on casualties. Soviet diplomats claim agreement on all but one element in a United Nations plan to bring about a Soviet withdrawal in exchange for an end to outside aid to the insurgents.

The remaining snag is ostensibly the

in two respects. They often inflict larger

losses than their instigators expect, and it

The United States and Enrope have given

themselves one last chance to avoid the

outbreak of the trade war toward which

they have been sliding for some months.

The Europeans had asked for another

month of negotiations. President Reagan

did not want to relax the new year's eye

deadline he set last summer, but he has now

said that none of the penalties will actually

take effect until the end of January. That

gives the trade diplomats another four

There is blame on both sides. Both in

America and in Europe the politicians are

being pushed by farm lobbies frantic to sell

off their grain surpluses. But in dividing the blame you would have to say that about

three-fourths of it lies on the European side.

It is they, after all, who are closing a long

Americans, until this year, had been sell-

established market to American exporters.

ing feed grain to Spain at a rate of some-

thing over \$400 million a year. When Spain

joined the European Community, the EC's

highly protectionist agricultural tariffs

made American grain prohibitive. Now the

grain comes in from northern Europe. Un-

der the rules of world trade, the Community

has a responsibility to recompense the

Americans with trade concessions else-

where. But the Europeans argue that they

weeks in which to avert a collision.

is hard to turn them off.

pull out its troops; Pakistan insists that only months are required. Yet the real obstacle, almost certainly, is Soviet unwillingness to see the triumph of an Islamic tribal insurgency over a Marxist client regime. At stake in Moscow's eyes is the Communist doctrine that the march of Soviet power is irreversible. But that doctrine, like the war, has unacknowledged roots in the czarist past. Under Alexander II, who ruled from 1855 to 1881, Russia added 400,000 square miles (a million square kilometers) in Central Asia, a territory as big as Western Europe. Over time the czars overwhelmed resistance, and in an imperial age nobody cared. The difference now in Afghanistan is

that much of the world does care. The test for Mr. Gorbachev, as it was for America in Vietnam, is whether he is prepared to lose, or risk losing. To admit a blunder of such magnitude would have adverse repercussions for Soviet power at bome and in Eastern Europe - but might permit a rapprochement with China. But carrying on is hardly more attractive. Unless Moscow sends a million troops, the

Afghan resistance is bound to continue. Which is worse, the cost of admitting a huge mistake or that of indefinitely bleeding the Soviet Union and an Islamic neighbor? If Mr. Gorbachev is big enough to scorn the latter course, he can bring this cruel war finally and mercifully to an end.

while Spain's agricultural tariffs went up.

its tariffs on manufactured goods have

come down. That is true, but they are still

high for U.S. goods while they are zero for

all the U.S. competitors in the other EC

countries. Reasonably, the Americans want

full compensation for the lost grain market.

This episode is doubly disquieting be-cause it is another example of a Europe

immobilized by the intransigence of its

farm politics and the complexity of its

with a sigh that trade disputes are particu-

larly difficult to handle because, with 12

countries now in the Community, there are

so many conflicting national interests at

play. The Community is now one of the

world's greatest economic powers, with

gross national product just about equal to

that of the United States. But, as in this

case, it remains paralyzed by its 12 govern-

ments' inability to make up their 12 minds

on anything but a defense of the status quo.

President Reagan is threatening to put a 200 percent tariff on a long list of luxuries

from Europe, such as wine, gin, cheese and endives. The Europeans threaten to retali-

ate with further penalties on American

goods. If that happens, the Americans say,

they will counterpunch again, tit for tat.

Like most wars, this one would be wasteful,

a reproach to the people who started it and

- THE WASHINGTON POST.

a melancholy way to start the new year.

munity politics. Europeans explain



Keep Watching OPEC and Try a Sales Tax

W ASHINGTON — Having died in 1986, will OPEC be reborn in 1987? The best guesses about whether its current campaign to raise oil prices to \$18 a barrel will succeed are hopelessly hedged, and understandably so. Handicapping oil prices has been a graveyard for oil experts' reputations. In the early 1970s, few foresaw a price explosion. By the decade's end, most believed that prices would rise endlessly. Only a minority predicted the collapse that occurred in 1986. This miserable record has inspired hamilty.

But uncertainty should not obscure the realities of involvement with world oil. America remains dependent on imported oil, whose supply is unavoidably insecure. As long as the Gull region contains two-thirds of the non-Communist world's reserves, oil's free flow remains vulnerable to political events over which the West has little control. Its interest lies in defusing this ongoing danger, which promises to be as great in 1997 as in 1987.

The U.S. strategic petroleum reserve is one logical response, but the current target of 750 million barrels (two-thirds achieved) is far too low. What is also needed is an oil tax of 20 to 25 cents a gallon to spur conservation. The tax could be phased in over three years to mute the inflationary impact; the revenue could be used to cut the budget deficit or taxes. The main purpose would be to promote long-term investments in everything from home insulation to energy-efficient planes.

OPEC's latest gambit does not yet make it an effective cartel, which controls prices by controlling supply. OPEC never has done that for a ined period. Its quotas have been routinely violated, and it has not prevented new oil supplies, induced by higher prices, from coming to market. Since 1979, production in non-OPEC developing countries has jumped nearly 50 percent.

But OPEC represents enough of world supply to influence prices. In the 1970s its power rose with world oil demand and Middle Eastern political By Robert J. Samuelson

instability. Anyone needing extra oil had to go to OPEC, since other suppliers were at peak capacity. Political upheaval made matters worse by making oil buyers fear that supplies would become even tighter. It is no accident that OPEC's major price increases coincided with the Israeli-Arab war in 1973 and the shah's ouster in 1979.

Now OPEC is trying to reassert its power in a less favorable climate. After a chaotic year characterized by a breakdown of production quotas, it has adopted lower quotas and higher prices. The strategy might work. Estimates for the first quarter of 1987 show greater demand than supply, creating upward price pressures. Normally, oil companies and consumers would meet the projected gap of 2.4 million barrels a day by drawing down inventories in storage tanks. Philip Verleger, an economist at the Institute for International Economics, says he doubts that inventory reductions will be great enough to force OPEC to discount its prices. Demand will still exist for all it produces. But can OPEC restrain output? Mr. Verleger's production estimate almost matches the official quota, but that does not imply compliance. He expects Iran to fall below its quota (Iraq's bombing has out out-put), with the loss offset by OPEC cheating.

Even if the OPEC agreement holds a few months, Mr. Verleger thinks it will collapse by midyear. Demand will drop after the winter heating season, he predicts, and Iraq, which refuses to abide by the quotas, will raise exports through a new Turkish pipeline. OPEC's history warrants this skepticism. Cheating on quotas was rampant in the early 1980s, when only Sandi Arabia's production cutbacks, offsetting others' overproduc-tion, held up prices. When the Saudis abandoned that role in late 1985, prices tumbled.

prices from dropping, as they threatened to do, below \$10 a barrel. New quotas, although violated, have been partially effective. Other OPEC members, chastened by the oil price collapse, are more pliant to Saudi demands for production discipline. And now Sandi Arabia may adhere to its own

quota. King Fahd clearly wants higher prices.
No one can say which pressures will prevail.
OPEC watching resembles Kremlinology. Much of what matters is unknown. Does King Fahd favor higher prices to restore Sandi revenue, or is he trying to accommodate Iran, which he sees winning the Iran-Iraq war? (Iran has always (a-voted higher prices.) If he attains \$18 a barrel, would he try to go higher? Or is he afraid that higher prices would boomerang by inspiring more conservation or exploration? At \$18, prices would still be one-third lower than in late 1985.

The United States is mainly a spectator in this drama. The Middle East's turnoil lies largely beyoud U.S. influence, as the Iran-Iraq war attests. What power America does have flows primarily from its status as the world's largest oil consumer. It can help prevent the dangerous convergence of events that puts OPEC in a commanding position: the combination of strong oil demand with politi-cal upheaval in the Middle East.

It is often urged that Washington promote domestic production by putting a tariff on imported oil. By raising the price of foreign oil, a tariff would increase prices to domestic producers and make new exploration more profitable. The problem with a tariff is that, by depleting U.S. reserves now, it would make the United States more vulnerable later. The better approach is to dampen consumption with a sales tax on oil and to be able to offset emergency oil cutoffs from the strategic reserve. America cannot control OPEC, but it can make it tougher for OPEC to control it.

Statistics suggest the extent of the

ducational revolution. In what the

World Bank calls "lower-middle in-

come countries," the proportion of

the young-adult population (aged 20-24) enrolled in higher education rose

from 3 percent in 1960 to 10 percent

in 1982. The increase in India, with

low per capita income but a vital

educational system, was from 3 to 9

percent. For Brazil the increase from

1965 to 1982 was from 2 to 12 per-

cent. To understand the meaning of

these figures, consider: In 1960, the

proportion for Britain was 9 percent.

for Japan 10 percent. There has been, moreover, a radi-

incers has increased from about

Wild Ideas, And Facts **Even Sillier**

By Flora Lewis

MMAN - Leaders everywhere A are wringing their hands about loss of trust in the word of the United States government after the Iran-con-tra affair. But the problem may be even more in the wild ideas that people are prepared to believe in when they cannot be sure.
Credulity has always been a comp.

sive element in affairs between nations, especially in the Middle Bast where there are often some grounds to enhance the temptation of compaacy theories. The corrective has to be a demand for evidence, stubborn in-sistence on common sense short of proof to the contrary.

But when proof appears, what measures remain to permit confident rejection of rumors that blow natutally, with fitful force, like wind in the desert? How are people to go on defending reason and realism, scotting at silly notions, when facts turn out to be even sillier?

Some people always insist on the truth of what they choose to believe because it makes life simpler, removing the need to probe and adjust to contradiction. This is what makes compromise and settlement so difficult Suspicion is reinforced by naively believing the worst about others and it does more damage than skepti-

cal reticence in offering trust. This is a part of the world with a tradition for grossly exaggerated rhetoric, for a gap between public word and deed (although private word is a matter of high honor). Many have come to look to America as a standard that provides at least some measure for judging reality. Now what can be taken for certain? The uncertainty aggravates the distress among those who feel a need to rely on America whether or not they like its policies, since it undermines their defense against the irrational.

Supposition is spreading widely now that Washington no longer opposes a clear-cut triumph by either side in the Iran-Iraq war, but has concluded that Iran is winning and wants to sidle up to the victor.

The revelation that America has been providing satellite intelligence to Iraq (for a lot longer than has yet been admitted, authoritative sources say) provokes comment on the inhumane cynicism that guides Iraqi

bombers to targets in Iran, to be countered by U.S.-supplied defenses. But some, lapsing into credulity, see a triple betrayal, arguing that U.S. satellites could have warned Iraq effectively against the successful Iranian offensive on the Faw peninsula last February. "The Americans said the Faw attack was a diversion and farther north," some pretend to

know, "so what was the motive?" Credulity does not leave room for the accidents, miscalculation and ignorance that play so large a part in human affairs, and thus it promotes

more miscalculation and ignorance. Sober military heads in Egypt and Jordan see no prospect for ending the long terribly bloody Iran-Iraq war any time soon. There are many rumore about important contributions to Iran from Saudi Arabia and the Gulf states, as protection money and bedging, even while these countries

Hard evidence is unavailable. But there is consensus that the Saudis and their smaller neighbors genuinely want the war stopped, even at the price of overthrowing Saddam Hus-sein of Iraq, but not at the price of completely destroying Iraq's regime, as Tehran demands. A pro-Iranian Islamic republic in Iraq would endanger virtually all Arab states.

Nor is an Iraqi victory desired, but is seen as practically impossible. In this context of endless fighting

Quiet probes and contacts are going on continually. One way and another, all sides are talking to each other nowadays and that is a big change from earlier refusals to recognize any point in exchanges. But the guarded or indirect meetings are not getting anywhere. Momentum is gone, another victim of the creating that ascribes to Washington alone the e, another victim of the credulity

Furthermore, the sense is spreading that as a result of the Reagan administration's fall from foreign policy grace, the United States is gong to be paralyzed internationally for at least two years, leaving the Middle East to self-destructive drift. That is not necessarily so. American resilience can swiftly reconstruct firm, knowledgeable foreign policy

The Washington Post. But OPEC's recent performance has been more

Here Comes a New Political Chapter in America USTIN, Texas - I believe that A the United States is entering a new political era, one in which it will be preoccupied by increased econom-

ic competition from abroad and will need better cooperation at home to deal with this challenge. Americans may be observing a be-

ginning of this new politics in the national response to the current difficulties of the Reagan administration. The Iran crisis has troubled the country, but there is also an instinct to unite rather than to tear apart institutions, as in the 1970s.

I see this new political phase of global competition and domestic cooperation as the third definable phase of American politics since the late 18th century. The first phase focased primarily on issues of growth. The great debates were over measures to support industrial vs. agricultural interests, over tariffs vs. free trade, over the role of government in build-ing tumpikes, canals and railroads. The second phase was the welfare

state. By the 1870s it was apparent that an industrial system had tritumphed in Western Europe and America. Political economists from John Stuart Mill to Karl Marx joined with politicians in devising a range of benign or bloody formulas for mitigating the harshnesses of that system. The welfare state absorbed an ever growing share of resources in the

By W.W. Rostow

Western countries. In 1913, social compension from the Pacific basin service expenditures in Germany were about 5 percent of GNP, in Britain 4 percent, in the United States 2 percent, while the compara-ble 1913 figures for military expenditures were 3, 4 and I percent.

The issue of whether resources should be allocated to welfare or to the nurturing of private consumption and investment remained at the cen-ter of politics in the advanced industrial countries for a century. Then a revolutionary rise of welfare outlays - average welfare outlays in the ma-OFCD countries rose between 1960 and the mid-1970s from about 14 percent to 24 percent of gross national product — brought that

phase to a rather dramatic close. The third phase will be about maintaining living standards in an increasingly competitive world eco-nomy. The fate of the advanced industrial countries now depends not on the power of conservative vs. libiticians but on how the U.S. political process responds to the new question of commetition

Specifically, the new question is whether the United States can so deploy its assets as to maintain its stan-dard of life and avoid vicious mercantilist struggles in the face of and Latin America. The challenge has arisen because a major technological revolution was generated in the advanced industrial countries at just the time when the more advanced developing countries were mounting an educational revolution which is putting them in a position progressively to absorb and apply the new technologies. What can be seen in South Korea's remarkable race to go high-tech is what we can expect insingly over the next several gen-

erations in the developing regions.

These technologies include microelectronics, genetic engineering, a batch of new industrial materials, lasers, robots and various new means of communication. They have four distinctive characteristics: They are closely linked to areas of basic science which also are undergoing revolutionary change; they are galvaniz-ing the old basic industries as well as agriculture and services; they are immediately relevant to developing countries to a degree depending on their stage of growth; and they are each so diversified that no single country is likely to dominate them as, for example, Britain dominated the early stage of cotton textiles and the United States dominated the early

an issue primarily involving the

young. The tone of the fundamental-

ist message is nihilist, and the mes-

sage is invariably about social pari-

ties. The momentum of fundamental

ism is nurtured by poverty, social imbalances and political frustration."

with us for regional political and eco-nomic stability." Prince Hassan said,

"the forces of disintegration will con-

tique to change the face of this re-gion, and of the Third World, And

demographic pressures will invite in-

He called for a "trilateral approach" to Third World develop-

ment. This would involve participa-

stability and chaos."

"Unless the West is willing to work

cal shift toward science and engineering. In India the pool of scientists and 190,000 in 1960 to 2.4 million in 1984 a critical mass only exceeded in the United States and the Soviet Union. In Mexico from 1957 to 1973, the number of graduates in the natural sciences increased annually by about 3 percent, in engineering by 5 percent. From 1973 to 1981 the comparable figures were 14 and 24 percent, respectively - an astonishing almost

fivefold acceleration. These figures, signaling a surge in technological absorptive capacity, mark the arrival of a stage when national growth rates are, in normal circumstances, at a maximum. Despite current vicissitudes, I would guess that India and the developing societies of the Pacific basin, including China, and those containing most of the population of Latin America, will absorb the new technologies and move rapidly forward in the next several generations. Much the same would happen, I believe, in the Middle East, if it could find its way from its chronic, tragic bloodletting.

The writer, professor of political economy at the University of Texas, contributed this comment to The Washington Post.

provide Iraq's major support.

that could take unforeseeable turns. the lack of any appearance of move-ment toward breaking the Arab-Israck deadlock adds to the gloom.

capacity for initiative.

guidance — and that is urgently needed to strike against credulity. The New York Times.

1937: Confidence Urged

Morting.

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IN OUR PAGES, 75 AND 50 YEARS AGO

1912: Army vs. Nobles

PEKING - Yuan-Shih-Kai, the imperial army steader, will face the Empress Dowager and nobles of the Imperial clan [on Jan. 2] with demands. signed by the commanding officers of the Northern army, which are that the wealth of the princes and nobles shall be commandeered for the support of the army in continuing the war. The army leaders profess loyalty to the monarchy and declare that they do not sympathize with the Republic and are willing to sacrifice their own lives for the monarchical principle. They insist that unless the princes disgorge, they must be dealt with as traitors. Meanwhile, government reports state that about 4,000 revolutionists attacked Hankow [on Dec. 31] and that the fight was renewed [on Jan. 1], a large force of revolutionaries delivering an unsuccessful attack on the Imperialists.

WASHINGTON - Cabinet members stated their faith in America's continued progress during the coming year. R. Walton Moore, Acting Secretary of State, said: "Never at the beginning of any year in the present century has there been a stronger reason for confidence than now exists." Daniel C. Roper, Secretary of Commerce, said: We can and should derive encouragement from what has transpired in the past year, without underestimating the lingering aspects of the depression which are pressing for a solution. ployment is still a paramount probcm." Henry A. Wallace, Secretary of Agriculture, said: "We must begin an intelligent attack on the problem of the farmers. Just as the nation has a stake in the success of [its] industrial program so it should be interested in

a program that will help the farmers."

Other Comment

The War Needn't Be

Trade wars are like the other kind of wars owe the United States very little because,

Let China's Students Beware

Chinese society has undergone a remarkable degree of change since Deng Xiao-ping's emergence as the leader of the Comnist regime. Many thousands of students have been allowed to study abroad. The regime tolerates the publication of a wide range of views. Mr. Deng himself has said that economic reform will eventually require a greater liberalization of the political system. But he is talking in terms of change over a period of many years - and, in any event, has never suggested any surrender of the Communist Party's monopoly of power. For many university students, that obvious-

ly is not good enough. Demonstrations demanding "democracy" and "freedom" have occurred in Shanghai, Beijing and several other Chinese cities. [Students] clearly want free speech, plus the right to make their own career choices, to live where they choose and to elect their own representatives to local governing bodies. The danger is that the protests will slow the process of liberalization. The students might do well to heed the call for restraint from a professor known for his progressive views: "Our means of expressing criticism should be in the interests of stability and unity. Otherwise, good things will turn bad."

- The Los Angeles Times.

INTERNATIONAL HERALD TRIBUNE JOHN HAY WHITNEY, Chairman 1958-1982

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'Freedom of Trade Simply Isn't Enough' By Pranay Gupte

A MMAN — When he discusses the uncertain political and economic situation in the Middle East and elsewhere in the Third World, affection is on the rise among unemployed youth. More than half Jor-Crown Prince Hassan of Jordan argues for a revival of "development dan's population is under 15. dialogue" between North and South.

"A good start would be to stop talking about Third World homogeneity," he said in an interview here. Third World is not a bloc." Broad panaceas concerning development, however fashionable in the West, "are not always relevant."

Prince Hassan, 39, is an energetic spokesman on development issues. For the last three years he has shared the chairmanship of an Independent Commission on International Humanitarian Issues; supervised publication of studies on such Third World problems as famine, street children and refusees: and headed the Arab Thought Forum, which brings together economists, government officials and writers to chart new courses to redress social wrongs. In Jordan he has been entrusted by

his older brother, King Hussein, with leadership and planning for educa-tion and social services. Jordan's programs for vocational training and women's literacy are considered a model in the Third World. In fact, the country may be regarded as a victim of its successes in education, since its economy cannot absorb the increasing flow of graduates. In Jordan as in other Third World countries, dis-

Prince Hassan wants new struc-tures for Third World growth. "Multilateralism should be redefined. The multilateral dialogue between the donor nations and the aid-recipient states is still a dialogue of the 19th century, dominated by the politics of dependence." Noting that the World Bank, the IMF and the UN Development Program recently acquired new leaders, he urges those insutations to hold informal talks with regional and subregional bodies involved in development work, in order to establish new priorities for the channeling

And the time has come for a "thorough and open discussion" of the West's concept of the Middle East. 'You have only to look at the current scandal over the arms sales to Iran," Prince Hassan said. "The feelings of the people of this region have been totally set aside for expediency." Western policies and perspectives

of development funds.

on the Middle East invite growing extremism which would be very difficult to manage, the prince said. "The promotion of some middle round is essential, and this can be done by strengthening the region's

economies and encouraging height-

ened economic exchanges among the

tion of multilateral organizations and more sophisticated economic relations between the West and the two categories of Third World states: those with plentiful oil and other resources and those bereft of them. It also would involve an accelerated system of economic exchanges among developing nations whereby they could utilize their own skilled

manpower and products.

"Freedom of trade and capital simply isn't enough," Prince Hassan said. "We need modern techniques for economic growth, and technology, in the context of regional and terregional cooperation, to take full advantage of the existing state

of the world's economy. International Herald Telluma 4

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OPINION

And F. Probably Not an Eerie Lack of Turmoil No. William Safire toward Jeane Kirkpatrick as noming 10. The new CIA chief will be (a

ASHINGTON — Once more unto to the breach, dear friends, predicing the coming year's headlines. Last year I was spot-on about the collapse of all orices, wrong about the control of the and almost everything else were in 196

1. The leader leaving the scene in 1987 will be (a) France's staggering Jacques Chirac; (b) Britain's Margaret Thatcher, too confident of whipping Labor's Neil Kinnock; (c) Corazon Aquino, jinxed by a Time cover; (d) Mikhail Gorbachev, showed aside by Yegor Ligachev for throwing stones in a glasnost.

.2. The new bousehold name made famous in America by the Iran contratemps will be (a) General John Sing-Jaub; (b) Roy Furmark; (c) General Richard Second; (d) Duane Clarridge.

3. Israeli-U.S. relations will (a) improve as sponsorship of the arms dealings by Sandis and Canadians becomes known; (b) suffer when an Israeli officer becomes a target of American prosecutors in the Pollard spy case; (c) be tested as Oliver North tries to pin the blame on David Kimche for the fund diversion.

4. The main Democratic problem will hecome (a) Mario Cuomo's ignorance of foreign affairs issues; (b) a voter back-lash against Democrats for "losing" Central America after abandoning the contras; (c) Gary Hart's widening lead,

Letters intended for publication should be addressed "Letters to the Editor" and contain the writer's signature, name and full address. Letters should be brief and are subject to editing. We cannot be responsible for the return of unsolicited manuscripts.

I remain nonplussed by the spate of

power. China has repeatedly shown its

willingness to fight "beyond the gates"

when its Communist Party considered

that the interests of the country (read,

the party) were threatened. Perhaps Ronald Reagan's America has forgotten

the Korean War - as some members of

his administration seem to have forgot-

James Gerstenzang (in "China Looks at the U.S. Way to Upgrade Army," Dec. 12) tells how China's zir force is to be

given all-weather capability. Great for Beijing, should it plan a strike at the

Spratly Islands, contested specks in the crisis-prone South China Sea, on a

wet weekend. And Mr. Gorstenzang per-

petnates the canard that China's navy is

a coastal force. He and his Pentagon

informants apparently prefer to ignore

Chinese forays into the Pacific and

crumpled paper eagle.

making the nomination race look dull; (d) Sam Numa's inability to express heavy compassion for society's losers. 5. The main Republican problem will become (a) the cognitive dissonance following the moderates' rush to Bob Dole,

as hard-line, anti-Sandinist diehards turn to George Bush; (b) the Dole sense of humor about his support of subsi-dized grain sales to Moscow; (c) the mexplicable hurricane following "the Robertson Curse"; (d) Jack Kemp's re-luctance to heed the nautical maxim When the water reaches the upper level, follow the rats."

6. The historic event of the year will be (a) turmoil in China following Maoist resentment of mild repression of freedom-demanding students; (b) turmoil in the Soviet Union as the forces of change lose control; (c) turmoil in America as the president and vice president are staggered by scandal; (d) turnoil in South Africa as black revolution begins; (e) the eerie lack of turmoil anywhere.

7. Hot U.S. political vogue verb of the year will be (a) immunize; (b) sharing; (c) distance oneself; (d) outcompete.

8. White House chief of staff at year's end will be (a) Don Regan; (b) Baker, James or Howard; (c) Paul Laxalt; (d) Drew Lewis; (e) Cap Weinberger. 9. A weakened presidency will result

in (a) Democratic insistence on a tax increase as the price for the SDI; (b) Soviet toughness in arms reduction negotiations to capitalize on President Reagan's need for a deal; (c) Soviet acceptance of space defense testing rather than postpone a deal well into the next presidency; (d) a Republican turn

toward Jeane Kirkpatrick as nominee.
10. The new CIA chief will be (a) an intelligence pro not known to the general public, like General William Odom; (b) a trusted figure to restore credibility in the coming maelstrom, like William Webster of the FBI; (c) a sitting senator, like Malcolm Wallop of Wyoming.

11. The sleeper best seller among the politerati will be (a) Michael Deaver's loyalist memoir of the Reagans; (b) Jenifer Harvey Lang's fearless Tastings: the Best From Ketchup to Caviar"; (c) Jane Nevins's timely "Toward 200: the Constitution and its Celebration"; (d) Sam Donaldson's "Hold On, Mr. President!" — its title gaining an unintended double meaning.

12. The American economic scenario will be (a) under 2 percent real growth, interest rates up, stock market down; (b) better growth, interest rates down, market up; (c) 5 percent growth, boom;

(d) no growth, bust.

13. Replacing Paul Voicker at the Federal Reserve will be (a) a banker like William Butcher of Chase, or Gerald Corrigan or Karen Horn of the Fed: (b) an economist like Fed Vice Chairman Manuel Johnson, Alan Greenspan, Beryl Sprinkel or Martin Anderson; (c) George Shultz, the independentminded team player accused of being a loner by huddled professional loners; (d) Donald Regan, who now might be willing to accept a demotion.

14. Resolutely serving in the Oval Office next year at this time will be (a) Ronald Reagan; (b) George Bush;

(c) James Wright.

My picks: 1 (c), 2 (c), 3 (b), 4 (a), 5 (a), 6 (a), 7 (d), 8 (b), 9 (c), 10 (c), 11 (a), 12 (a), 13 (d), 14 (a). You gotta play to lose. The New York Times.





The Purpose of Packaging Is Toothbrush Demolition

By James J. Kilpatrick

SCRABBLE, Virginia — We drove down to Richmond the other day, my wife and I, for a visit to our friendly family dentist. After he had finished his excavations he gave each of us a new toothbrush. This was a free gift, as they say, or a free complimentary gift.

Each toothbrush came encased in a plastic shell, or what appeared to be a plastic shell. As it later would transpire, this was actually a form of transparent steel, a new product with a vast

MEANWHILE

potential market. On the back of each package appeared some instructions for opening. The instructions began: First assemble the tools you will need: crowbar, sledgehammer and chain saw. The instructions seemed a little omi-

nous, but a free complimentary toothbrush is not something that you get every day. I went to the toolshed for the crowbar and hammer. My wife went to the barn for the chain saw, the one I gave her for Mother's Day in 1966, and we fell to work.

It was a battle, I can tell you that. It started on a Wednesday afternoon about 2 o'clock. After a bourbon armistice at 6, the fight went on to midnight. Thursday morning, refreshed by a night's sleep, we penetrated the outer defenses of one toothbrush and managed to get part of the back off the other. Thus encouraged, we redoubled the assault. By 10 o'clock that evening the job was done. Nothing remained of the toothbrushes, to be sure, but the triumph was nonetheless sweet. We had defeated the toothbrush packagers, and such victories are few and far apart.

We have had other successes, my wife and I, and we have known our share of defeat. When she came down with the flu not long ago, the doctor prescribed a spray to relieve her coughing. The spray came with a conical cap on top. This, too, was made of transparent steel. It took from Monday to Friday to pry the cap off. By that time the cough had

subsided. Great medicine, this stuff. We read a lot, my wife and I, and publishers are forever sending us books. The publishers are fiends in human form. Sometimes a book will arrive in a soft baggy kind of sack, and these packages are not so obstinate. You pull a tab, the sack flies open and gritty, gray insulation spills all over the floor.

Many books arrive in what appears to be corrugated cardboard. This is deceptive. Actually the package is covered with a coating of transparent steel that has been bonded to the cardboard with the glue that lifts elephants. On such packages the cardboard flaps are se-cured by staples. The staples are 3 inches (75 millimeters) wide and 2 inches deep. They can be removed with one pickax and two sticks of dynamite. This is after you have severed the steel-treated tape.

We bought a gizmo for one of the grandchildren for Christmas. It was a battery-operated gizmo, battery not included, so we bought a package of bat-teries to make the gizmo go. Have you tried to open a package of batteries lately? First assemble the tools you will need: tomahawk, machete and chisel.

I do not know why we bought the vitamin pills for the dog. The dog is a Shetland collie, name of Happy. She is healthier than we are. The pills come in little bubbles that are glued to a small sheet of transparent steel. A large screwdriver or a small shotgun generally will disgorge the things. Happy gets great pleasure from watching our evening struggle to free her vitamin pill. She wags her tail; she barks madly; she spins in tight circles. She always spins to the left. I do not know why. Perhaps it is the effect of the vitamin pills.

Cereal boxes hate me. I can get them open but I cannot get them neatly closed. We use plastic containers for refrigerator leftovers. None of the tops fit any of the bottoms. Express mail arrives in envelopes made of chain mail. On airplanes the flight attendant brings us peanuts. "Call the flight engi-

opening the peanuts!" I have emerged from these several

neer." I cry. "Ask him to bring tools for

Universal Press Syndicate.

LETTERS TO THE EDITOR

suppose that the Chinese Communist Party can be manipulated to be a stalk-

reports underlining U.S. eagerness to rearm the world's largest Communist ing horse for Washington. A rearmed China, especially with a modernized combined operations and amphibiouslanding capability, could be a dangerous threat and an unpredictable power bro-ker in Southeast Asia. The cautious regimes in Malaysia, Indonesia and Singapore all recognize this. The naive, unquestioning and ill-in-

formed views set forth in this report help ten the seizure of American hostages by Iran, when Washington was reduced to a to explain why democracies fail. RICHARD BREEZE Hong Kong.

Yes, a Free Press Hurts

At a rare occasion when the American president was able to address the Soviet public directly, Mr. Reagan said, "We have a free press ... we are very proud of it ... sometimes it hurts."

The journalists and editors of the free press are now uncovering what actually happened during the Iran arms deal. It is arrant and dangerous nonsense to

obligation, thus exposing to the world what democracy is all about. But a fatal contradiction arises: The strength of democracy is sapped when an adversary, always on the alert, ex-

ploits any weakness, and when inside his borders nothing of the kind is permitted. Cynics in the Kremlin rub their hands. WALTHER JUUL HANSEN. Vester Skerninge, Denmark.

Europe Is Harming Itself

In response to the report "EC Says Close Japan-U.S. Ties Harming European Interests" (Dec. 10):

I was intrigued and disturbed by your report that the European Community believes that U.S.-Japanese trade agreements are harming European interests. You quote Willy de Clercq, the Community's commissioner for external relations, as accusing Washington and Tokye of coming to an accord on mutual trade in violation of GATT.

To a consumer it is plain that it is the Community that is isolating itself from the rest of the free-market world, and The president is cooperating to lay open not the reverse. An Apple computer the controversy. The press is fulfilling its costs three times as much in France and at a time when his government is in such

West Germany as in the United States. Japanese goods cost much more in Europe than in Japan or the United States.

America buys from Europe and Japan inexpensively. Japan recaprocates, or will as part of the agreement, but Europe does not. If Mr. de Clercq is presenting a case for reciprocity, he should investi-gate the prices of U.S. and Japanese goods in Europe. And he might explain to Renault, Volvo, Volkswagen etc. that the prices of their exported autos will have to double in the United States which will mean that their sales essentially disappear. Perchance it is Europe that is driving the rest of the free world into stronger trade agreements.

WILLIAM CURTIS CONNER Jr.

The German Role in NATO In response to "U.S. Envoy in Bonn

Rebukes Pentagon Official" (Dec. 17): For an ambassador to quarrel publicly with a senior member of the administration is bad form at any time, but Richard Burt's intemperate criticism of

decessors of the present administration attacked persons who took the Fifth as traitors. It is never too late to learn that the Constitution protects all citizens. E ERNEST GOLDSTEIN.

Villars-sur-Ollon, Switzerland.

As an American lawyer, I can respect

the decision by Reagan aides to invoke

the Fifth Amendment in refusing to tes-

tify before congressional committees.

Only 36 years ago, the political pre-

difficulties. But the real issue is whether

Bonn is justified in granting East Ger-

many economic assistance, while mak-

ing inadequate contributions to NATO.

ally reprehensible, as it surely must be.

Mr. Perle should be thanked for articu-

lating Western reactions to the policy of

appeasement practiced by the West Ger-

man Christian Democrats. If anyone is

entitled to be outraged, it is not the West

German government but NATO com-

manders and all those who really oppose

LIONEL BLOCH.

East Germany's dictatorship.

If this is strategically foolish and mor-

More Than Just Bad Luck I disagree with the assertion by Franz

Josef Strauss, the Bavarian premier, that was simple "bad luck" that brought Germany into "bad politics." ("Kohi's Party Takes the Offensive as Elections Near," Dec. 17.) It was also the fault of the 43.9 percent of the voters in the 1933 elections who supported Hitler.

We Germans of today must never forget that responsibility. The way to national self-confidence is not through forgetting the frenzies of the past.

GERHARD STENKAMP.

The Fifth Comes Full Circle Don't Forget the Kleenex

The report "Amazon Expedition" (Science, Dec. 11) puts scientific writing back 500 years. Along with other mentioned hazards (snakes, wasps, savage boars, river rapids, getting lost) the writ-er neglected to mention the various "primitives" that the expedition will most likely encounter. For the sake of science, maybe they should just stay home.

MARVIN GALPERIN Aachen, West Germany.

ordeals with a strengthened conviction that the whole purpose of American packaging is to prevent anyone from opening anything, ever.

General News

EUROPEAN TOPICS

Arming China: Some Americans Have Short Memories

Ulster Court Rejects Informer's Evidence

The Court of Appeal in Belfast last week overturned the prison convictions of 24 alleged members of an Irish Republican Army splinter group for lack of corroborative evidence. Three others who had admitted involvement lost their appeals. According to Norman Shannon, the defense lawyer, the ruling will discourage further use in Northern Ireland of "supergrasses," or police informers who testify against former

comrades. The appellants were convicted a year ago of nearly 200 charges of terrorist crimes, including murder, on the testimony of Harry Kirkpatrick, a former member of the Irish National Liberation Army. The outlawed group is an extremist faction that broke away

from the IRA. The court said that while it suspected that many of the appel-lants were involved in terrorist activities, they could not be convicted on the uncorroborated evidence. It described Mr. Kirkpatrick, who is serving a life sentence for five murders and 72 other crimes, as a "flawed wimess" who frequently lied.

in three previous cases, large numbers of defendants convicted on the sole testimony of informers were freed on appeal.

Vatican To Market Copies of Treasures

The Vatican plans to sell reproductions of historic gold scals to raise money for the conservation of treasures in its secret archives. the Financial Times reports. The original scals, which are attached to centuries-old parchment and peat kitchen fires.

DOONESBURY

manuscripts in the archives, include coronation seals of the Bourbons and the Hapsburgs. The archives, situated in caverns underneath the Vatican, are not open to the public.

Cardinal Alfons Stickler, who oversees the archives, has reached an agreement with Paolo Alazraki, a Milan banker, on selling the seals. Mr. Alazraki's holding company, Zelig, which was named after a film directed by Woody Allen, is setting up a sub-sidiary called Zelig Mint. In March, an international team of artisans will start reproducing about 30 solid gold seals in limit ed editions of 10,000 for Zelig Mint, and scholars will write books to accompany them.

The operation is expected to yield a profit of several million dollars that will be split by the Vatican and Zelig.

Whisky Galore Again For Scottish Island

There will be whisky galore again for the 200 islanders of Eriskay, but this time they will have to pay for it. The small Hebridian island off northwestern Scotland became famous 45 years ago after a wrecked ship carrying 20,300 cases of Scotch whisky was looted by the local popula-

Permission to open the island's first pub has been granted to Al-lan Macdonald, a local resident and a Gaelic television producer for the British Broadcasting Corp. Mr. Macdonald said he would name the pub "The Politician," after the ship that gave the islanders gigantic hangovers in 1941. The quantity of free Scotch was so great that some residents reportedly used it to light their



OBSOLETE CANARIES - Ian Grady, a mine rescue worker at Ilkeston in Derbyshire, England, with one of the 50 canaries that are being replaced by electronic meters. The birds, which had been used to detect dangerous gases, are being given to the miners for pets.

ist, a plot for his comic tale "Whisky Galore." He called the ship the SS Cabinet Minister. The book was made into a film of the same title in 1948 and was issued as "Tight Little Island" in the United States.

Around Europe

Miscarriages of justices are widespread throughout the Soviet Union, according to an official report to the Moscow Supreme Court by Yevgeni Smolentsky, the court's deputy chairman. The report, published in the literary weekly Literaturnaya Gazeta, said that innocent people had been sentenced to death by firing squad in several cases.

It was not clear whether the executions were carried out. Oth-

The shipwreck also gave Sir | er flaws reported in the legal sys-Compton Mackenzie, the novel- tem by Mr. Smolentsky included tem by Mr. Smolentsky included excessive punishments for minor offenses. The report cited an 18month sentence for a man who had taken two jars of pickled cu-cumbers from his mother-in-law.

> Paris dog owners who let their pets dirty the sidewalks risk paying fines ranging from 30 francs (\$4.65) to 250 francs beginning this month. The French National Assembly has passed a law antho-rizing municipal inspectors to fine owners whose dogs relieve themselves anywhere but in the gutter. Paris officials said that the city's 80 men who use motorcycles equipped with suction devices and mechanical brushes to clean the sidewalks cannot keep up with the daily droppings of 278,000 dogs.

-SYTSKE LOOLJEN

Raj Narain Dies; Unseated Indira Gandhi in 1970s

By Sanjoy Hazarika New York Times Service NEW DELHI — Raj Narain, 69, a colorful Socialist leader who de-

feated Prime Minister Indira Gandhi in a parliamentary election and played a key role in the fall of a successor, died Tuesday of a heart

Mr. Narain was active in the independence movement against Britain and was later imprisoned scores of times for his leadership of opposition movements.

First elected to India's upper house of Parliament in 1966, Mr. Narian became known for his rowdy behavior. He was sometimes asked to leave the chamber and on several occasions had to be carried out by parliamentary officers. In 1975 a high court upheld Mr.

Narain's charges of electoral fraud against Mrs. Gandhi. The charges concerned a 1971 election for the lower house that Mr. Narain had lost by more than 100,000 votes. The verdict led to the state of

emergency that Mrs. Gandhi de-clared soon after, arresting thou-sands of critics, including Mr. Narain, and imposing news censorship.

Nearly two years later, when Mrs. Gandhi called new elections and freed her critics, Mr. Narain and his colleagues rode a popular wave of unrest to defeat her and her government. He won decisively in the prime minister's home constituency of Rae Bareli.

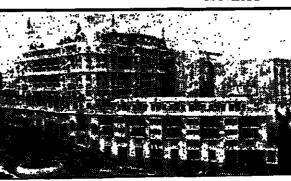
Minister Morarji Desai, an ascetic follower of Mohandas K. Gandhi, policy on family planning and

In the new government of Prime renounced forced sterilizations.

Mr. Desai dismissed Mr. Narain follower of Mohandas K. Gandhi, and his chief ally, Charan Singh, Mr. Narain was appointed health minister. He set about changing the molister on formilly allocation and his chief ally, Charan Singh, Narain later led a fierce party revolt that toppled Mr. Desai in the summer of 1979 and replaced him

onciliation in the Janata Party, Mr. with Mr. Singh as prime minister.

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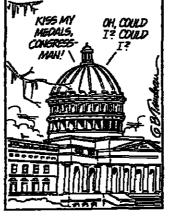
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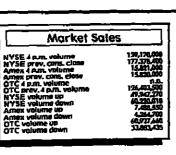
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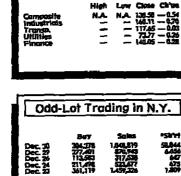
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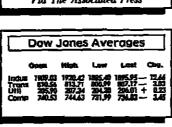


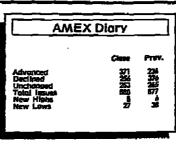
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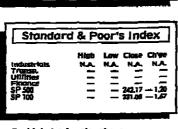


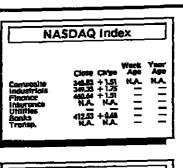
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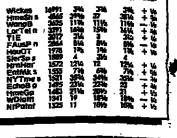








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NYSE Slips in Final '86 Session

NEW YORK — Prices on the New York Stock Exchange ended 1986 with a slight loss Wednesday as falling bond prices and end-of-quarter portfolio adjustments led it to its third decline in three days.

Trading was moderate as many investors funished business early for the New Year's Eve celebration, a holiday many will stretch into a four-day weekend.

The Dow Jones industrial average fell 12.66 to 1,895.95 and declining issues outnumbered gainers 836-774 among the 2,082 issues traded on the New York Stock Exchange.

on the New York Stock Exchange.

For the year, the Dow was up 349.28 points, a rise of 22.6 percent, but it was already up 22.4 percent at midyear. Its first close above 1,900 occurred July 1. The Dow's current record high is 1,955.57, set Dec. 2.

Broad market indicators also fell Wednesday. The New York Stock Exchange composite index slid 0.54 to 138.58; the price of an average share lost 14 cents and Stendard & Poor's 500.

share lost 14 cents and Standard & Poor's 500-stock index fell 1.20 to 242.17. On the Big Board, 139.2 million shares changed hands, compared with 126.2 million

"If you stand on your head, the market al-most looks good," said Trude Latimer, market analyst at Josephthal & Co. Stocks crased modest early gains when bond prices turned lower. Stock index futures contracts began trading at discounts to their cash indexes and professional traders bought futures and sold the equities. Lower stock index futures arises trad to reflect investors' expectations. prices tend to reflect investors'

that stock prices will fall. "The markets are a hodge-podge," said Jon

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Groveman, head of equity trading at Ladenburg, Thalmann & Co.

Bond prices initially rose, even though the dollar was lower and oil and gold prices advanced. A weak dollar and rising commodity prices usually hurt the inflation-fearful bond market. Gold traders attributed the sharp runup in gold to yearend position squaring.

"The only thing to say is what people have been saying ad nauseum: We have to wait to see what happens after the first of the year," Mr. Groveman said. "With tax-law selling out of the way, the market will have no excuses."

Persistent tax-law selling put pressure on stock prices during December. Long-term capital gains lose their preferential treatment under

tal gains lose their preferential treatment under the tax law in effect in 1987.

"The most popular excuse for the market not having a yearend rally had been the changes in the tax laws," agreed Alfred Goldman, stock market strategist at A.G. Edwards & Sons in St. Louis. "The short-term bulls lose that excuse Friday," he said. "If we don't start getting a better tone in the market starting Friday or very soon after that, the market is a lot sicker than I think it is; and I do think it's sick."

Elliot Fried, head of equity research at Shear-son Lehman Brothers, said the absence of a yearend rally was not surprising. "There's a lot of confusion about the econo-

my," Mr. Fried said. "Half the investment community believes the economy is recovering; a whole other group thinks exactly the opposite. Confusion equals uncertainty, which equals poor markets."

In Wednesday trading, BellSouth was the most active NYSE-listed issue, easing % to 57%. Southern California Edison followed, unchanged at 34.

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TRAVEL

■ Western Australia's Boom

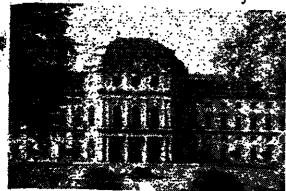
■ Melancholy Brighton

Private Helicopters Take Off

TRAVELER'S **CHOICE**

International Herald Tribune

Balthasar Neumann tercentenary



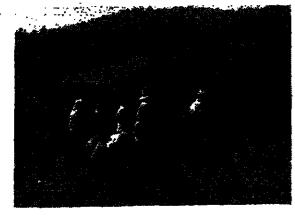
German Baroque architect Johann Balthasar Neumann, German Baroque architect Johann Balthasar Neumann, and a number of study trips, tours, river cruises and other events are planned to celebrate, especially in the region of Franconia, in northern Bavaria, where Neumann did his greatest work. The Bohemian-born military engineer began his architecture career for the Schönborns, prince-bishops of Würzburg. The Residenz (shown here), the prince-bishops' palace in Würzburg, is Neumann's masterpiece. In Giambattista Tiepolo's fresco over the Residenz's ceremonial staircase — believed to be the largest fresco in the world — the architect, who always the largest fresco in the world—the architect, who always retained his military ties, is shown in colone's uniform. A free brochure about Neumann and information on events marking the tercentenary, "Balthasar Neumann 1687-1754," can be obtained from the Franconian tourist office: Fremdenverkehrsverband Franken, Am Plärrer 14, D-8500 Numberg 80, West Germany.

Windover Indian site closed

■ The Windover dig, an archaeological site in Florida that has yielded what archaeologists called "incredible" de-tails of ancient Indian culture, closes to the public Saturday. The last tours of the site are Friday and Saturday. Digging is to end Jan. 17 and the area will be returned to its original state. In 1986, the third year of the dig, archaeologists uncovered more than 55 intact human skulls with well-preserved brain tissue, the remains of more than 120 individuals, a seed necklace, ancient cloth, and bone and wood tools. The items were buried in a peat bog 10 to 12 feet (3 to 3.6 meters) below the bottom of a shallow pond in the Windover Farms neighborhood of Titusville. The site was discovered by a road construction crew. The National Park Service is considering a proposal to make the site a national historic landmark.

Riding in Alps of Provence A journey in France this spring will take riders through the cedar-filled forests and lavender-scented val-

leys of the Alps of Provence on small, surefooted horses of Provencel stock. The horses are fitted with randonnée saddles, comfortable for extended periods; these resem ble lighter versions of the Western saddle, characterized by a small horn in front, a slightly built-up seat and long stirrups. The trip, limited to 10 people, starts blay 16 in Marseille with a bus ride to Chateau-Arnoux From there, on horseback for four or live hours daily, the riders go to Banon, Roussillon, Lauris, Mallemart and Salonde-Provence, ending up back in Marseille on May 23. Further trips are scheduled Sept. 5-12 and Sept. 19-26. Based on double occupancy, the price is \$1,875 a person. including breakfast and dinner, accommodations, use of a horse, baggage transport by van, a wine tasting, tips and transfers. Air fare is not included. Butterfield & Robinson, 70 Bond Street, Toronto, Canada M5B1X3.



A mammoth new museum show

■ The New York State Museum in Albany is celebrating its 150th anniversary by opening the first part of a major new permanent exhibition. Titled "The Ice Age," it re-creates the aftermath of the last ice age, when mastadons and early humans wandered the spruce-covered tundra of what is now upstate New York. Part of the exhibition depicts a small family of hunters in a setting portraying the mid-Hudson and Catskills region, augmented by a nearby display of tools and other artifacts excavated from the area. A second group, set near Storm King Mountain in the lower Hudson Valley 12,000 years ago, shows an adult female mastodon and her calf, reconstructed using recent findings that have revolutionized notions about the appearance of these great creatures. Other parts of the museum's collection include Iroquois artifacts and Shaker products. Admission is free.

Literary England from A to W First London A to Z, now England from Anden to

Wordsworth — with stops along the way for, among others, Tennyson, Austen, Boswell, Charlotte Bronte, Anthony Burgess, Byron, John Fowles, Hardy, Aldous Huxley, Henry James, Dr. Johnson, Kipling, Andrew Marvell, Or-well, Shakespeare and Woolf. The 23-day Polyalbion Tour of Literary England, encompassing landscapes and towns associated with authors and their writings, goes to Cambridge for colleges associated with Byron, Sterne, Forster, Tennyson and Wordsworth; to Nottingham, D.H. Lawrence's hometown; to Jane Austen's house in Chawton, Heary James's house in Rye and many more places with literary associations. The trip, July 4-26, costs \$3,295 a person in double occupancy, including accommodations, breakfast and dinner, sightseeing led by a university teacher, and tips. Air fare is not included. Peter Gravgaard, 85 The Grove, Moordown, Bournemouth, Dorset BH92TY, England.

Black Prince's maiden voyage

A new sail-assisted cruise ship, the Black Prince, leaves Amsterdam on April 11 for its maiden voyage, calling at Cadiz, Madeira, the Canaries and Lisbon, arriving back in Amsterdam on April 25. The 450-passenger ship of the Fred. Olsen Lines includes a pontoon swimmang pool, the Marina Park, which the owners say is the first of its kind. It permits ocean swimming and skindiving. There is also a pool on deck. Fares for the inaugural trip range from about \$1,800 to \$4,570, information from travel agents, or contact Bennett Voyages, 5 rue Scribe, F-75009 Paris.

CARNIVAL: Baccanalia And **Rubber Boots**

Previews of revelry in Rio and Venice



Masked beckoner in Venice.

by Alan Riding

Showing a sensuous leg in Rio.

10 DE JANEIRO - It is no coincidence that for many people the mere mention of Rio de Janeiro evokes images of wild dancing African rhythms, extravagant costumes and beautiful near-naked womon and men, all wrapped in a sticky hot embrace of bacchanalia and sensuality. They're right. Other carnivals have some of the things of Rio, but none seem to match its explosion of pre-Lenten revelry. Those who have joined it once, never forget; those who have not, keep wondering and imagining.

Each year, the show seems impossible to

repeat; it begins on the evening of Friday, Feb. 27, and ends at midnight or there-abouts on Tuesday, March 3. Since early November the season's sambas have been blaring from radios to insure that, by late February, everyone can sing along; work has started on fancy dresses, if not on making them, at least on saving money to buy the sequins, feathers and satin that go with them; and the samba schools, which serve as huge neighborhood clubs in the poorer parts of town have started practicing the tricky footwork and complex routimes that they will show off before thousands when they parade through the Sambadrome. With summer at its height, the mood is building up. Anything serious that needs to be done has already been postponed until after carnival.

Carnival in Brazil, though, is not just Rio. There is not a city, town or village in this vast nation that does not celebrate it. Some Brazilians even argue that it is better —more traditional and less commercial — in Salvador in Bahia state and Olinda in Pernambuco state. Yet there's no stealing Rio's title as the capital of carnival: for cariocas, as the people of the city are known, carnival is not just a holiday week-

end: it is the moment around which the rest of the year revolves, the time when fantasy takes over from reality.

parade of samba schools that takes place every night until way past dawn in the Sambadrome, with the largest, richest and most exotic schools competing to be champion on Saturday and Sunday nights of the carnival weekend. There is a special Parade of Champions on the night of Sat-urday, March 7. Tickets to watch the endless dance-past from bleachers cost between \$10 and \$30. But at no charge, there are many parades to be followed as they wander noisily through the beachside neighborhoods of Copacahana and Ipan-ema. And when there are no parades there is hardly a corner without some spontaneous samba group accompanying the flow of chopp, or ice-cold draft beer.

The other events that form an essential part of carnival are the samba balls that are held in clubs or hotels. Each usually has a theme to guide the fancy dresses although scant attire unites them all. And they can be wild - not violent, but certainly unrestrained by taboos. Transvestite outfits are common, while at least two or three dances announce themselves as homosexual fiestas. One of the more sober balls, though, also has the best setting: outdoors on Sugar Loaf Mountain overlooking the city and Guanabara Bay. It's on Friday, Feb. 28.

Carnival in Rio, one should add, is not for the unadventurous, but it is also not exclusively for the young. With minimal precautions, older tourists can also have tun. This city has earned a reputation for petty street crime, and visitors should not wander out with large sums of money or passports or expensive watches and jewelry. But there is no need to do so anyway: Rio is cheap and the rule is to dress as informally as whim dictates. It is also

worth taking a camera along for the Sambadrome parades, although it is advisable to hide it in a bag until you get there. But carnival time are friendly and good humored: they're having a good time and

they want visitors to have a good time too. Tickets for the various balls and the Parade of Champions can be obtained from hotels or travel agencies. Visitors booking their trips through travel agencies in the United States can order their tickets at that time. Information on carnival is also available from the Brazilian Tourist Office, 551 Fifth Avenue, New York, N.Y. 10176; 212-286-9600.

Alan Riding is the Rio de Janeiro bureau chief of the New York Times.

by Paul Hofmann

FENICE - If you plan to see the Venice carnival, pack a pair of rubber boots. Last year the Queen of the Adriatic was humbled by the third-highest flood of the century at the eve of the celebrations. St. Mark's Square was in part under water, and bootless tourists were seen wading across it, their legs wrapped in plastic shopping bags that were not meant as parts of a costume.

"How Turing Having Fun Is," read a mocking headline in Italy's leading news-paper, Corriere della Sera of Milan, over a carnival report from Venice. The discomfort was deepened by wildcat strikes of transit workers manning the vaporetti, the little steamers that serve as city buses, and by walkouts of some restaurant employ-

It may not happen this year, but the winter months are the season when high

water occurs most often: exceptionally swollen tides are further whipped up by storms, and the Adriatic Sea invades the narrower waterways to spill over. A project calling for locks to close the three gaps between the sea and the Venetian lagoon whenever necessary is far from comple-

Even without high water, Venice in win-ter is often a chilly, drafty and moist place sometimes shrouded in fog. Woolens and rainwear are recommended.

It was not until the 1970s that Venice again began attracting visitors other than the die-hards. It was then that local business people hit upon the idea of creating a Venice winter tourist season - in addition to the city's roaring summers - by reviving its historic carnival.

The Venetian masquerades in the days before Lent were famous throughout Europe during the 18th century. Visitors from many countries mingled with Venetian courtesans, gallants, cardsharps and other adventurers in the crowded squares and passageways of the city. Historians say the carnivals marked the decadence of the Most Serene Republic of Venice; in earlier centuries the Venetian merchants and seamen were too busy trading with the Orient and battling infidels to have any leisure for merrymaking at home.

The rebirth of the Venetian carnival during the last decade has provided offseason carnings for hotels, restaurants, shops and gondoliers, but has also brought some criticism from conservationists. In 1985, some revelers did get out of hand and, among other excesses, lighted bon-fires in St. Mark's Square, the hard the marble facade of one of the buildings facing it. Last year small groups of envi-ronmentalists and left-wing extremists staged anti-carnival demonstrations in and near the plaza, but most of the visitors

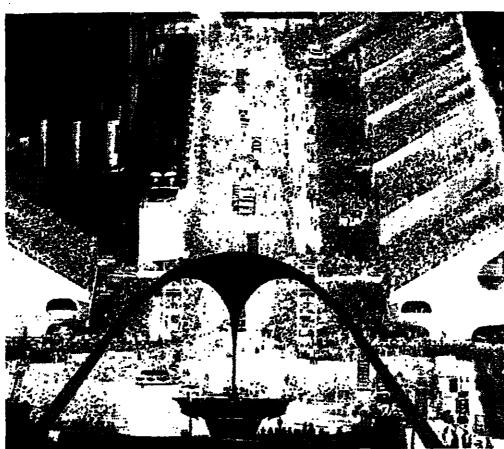
who witnessed them seem to have thought they were part of the subdued high water carnival.

balls and other events are scheduled to take place the week leading up to Lent at the La Fenice Theater and recitals, concerts and art-film shows at the Teatro Malibran near the Rialto. Rock groups will again perform in two small squares on either side of the Grand Canal, the Campo Santo Stefano, as they did last February. The choice of the two little piazzas is a stratagem aimed at keeping teen-agers, fired by the hard rhythms and the punk mood, at a prudent distance from St. Mark's Square.

That piazza will again be floodlit and decorated with white and golden plastic ornaments. Barring another high water, St. Mark's Square, the nearby narrow streets and the waterfront looking out at Giudecca Island will again be thronged with make-believe Columbines, Marco Polos, Venetian doges and other costume figures.
Confetti will be strewn lavishly. Behind some of the masks will be policemen watching out for pickpockets, but you are well advised to leave you passport and valuables in the hotel safe anyway.

The music of Vivaldi will waft from houdspeakers strung up around St. Mark's Square and along the adjoining southernmost section of the Grand Canal. Last summer, city hall forbade gondoliers and street minstrels to sing "O Sole Mio" and other popular Neapolitan tunes pointing out that there there are not been exceed by out that there was more than enough Venetian music to entertain visitors. Nationwide gulfaws, mingled with charges of cultural chauvinism and racism, prompted the city fathers on the lagoon to drop their veto against Neapolitan music.

Paul Hofmann is a former Rome bureau



Rio's Sambadrome, and (right)



St Mark's Square Venice in Carnival week.



TRAVEL

THE FREQUENT TRAVELER

The Corporate Helicopter Is No Longer Just the Boss's Toy

by Roger Collis

ONDON - The image of the helicopter as the corporate chairman's personal toy is fading fast. At 100 miles per hour (162 kilometers an hour) and 1.000 feet (305.3 meters) above the Thames the loudest noise in an Aerospatiale Twin-Squirrel executive helicopter is the crackle of air traffic control as we bank around the Houses of Parliament on our approach to Battersea Heliport. Take off the headset (needed only for talking to the pilot) and the cabin is quiet and vibration-free. It's a great way to trave! — Heathrow to the center of London in less

But ask most business people about helicopters and you're likely to hear, yes, of course, they're essential for visiting an offshore oil rig or the old occasions an executive needs to drop in to someone's factory and they are tolerable for short commuter hops. But for serious corporate use they are slow, noisy, expensive and often grounded by bad weather. That means executives can't rely on helicopters to get them where they want to go when they want to go.

Well, yes, helicopters are slow and expensive. (The cruising speed of a Twin-Squirrel is only 140 miles per

You don't have to be an enthusiast any longer, shaken and deafened

hour. The hourly cost is at least double that of an equivalent fixed-wing plane.) But recent advances in navigational aids, auto pilots, lightweight composite materials (such as fiber glass rotor blades) and small but powerful, jet turbine engines, all developed in the last five years, have led to a new generation of small twin-engined, all-weather belicopters. And they have been specifically designed for corporate use. Until these came along the choice was a big, noisy twinengined machine (often military conversions such as the Sikorsky S61), or a small, single-engined machine forbidden to fly in bad weather or over built-up areas. Even speed and cost are relative, however, if travelers take into account the time saved by flying virtually door-to-door instead of through airports

"The helicopter has become a very reliable piece of equipment and you can now actually use it like a car," says Robin Keith, managing director of McAlpine Helicopters in Haves, near Heathrow. "People can't believe it's so easy. You don't have to be an enthusiast any longer, shakened and deafened and having to wait for the brain to slow down before you could do any work. More and more companies are buying helicopters rather than planes, having considered both side by side with their travel needs. In 1986 we sold 10 which was a record." According to Keith, there are now pared with about 200 two years ago.

McAlpine is exclusive distributor in Britain for the French-built Aerospatiale range of corporate helicopters which includes the two to five-seat Twin-Squirrel and the five to 12-seat Dauphin. (A Twin-Squirrel costs around £950,000 [about \$1,350,000] and a Dauphin £1.4 million-£1.5 million, both with luxury armchair fits and state-of-the-art avionics). McAlpine claims to be Britain's biggest business helicopter company with about 80 percent of new corporate helicopter sales. Other helicopters in this market include the Bell Jet Ranger, the Agusta-Bell 109 and the Sikorsky

The genesis of this new corporate market was the ability to put two little engines, each with enormous power, into a light helicopter. If one failed, there was still sufficient power to land or to keep going

"Aviation authorities have made it quite clear around the world that they want to see twins. The era of the single engine corporate helicopter is past, it is being legislated out." Keith says. "Literally, the only reason you have two engines is safety. If you can say that it makes no difference to your performance if one engine fails, you can operate in the same way as a plane. The only thing that stops you is icing. If the freezing level is 1,000 feet and it's pouring with rain you'll have problems because ice sticks and you get heavier and heavier. And you're not allowed to make a blind landing in fee? blind landing in fog.'

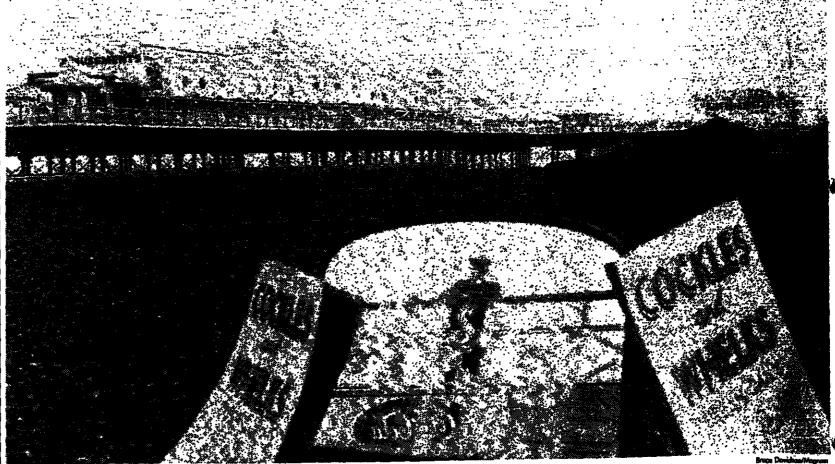
Legislation is the biggest single handicap to helicop-ter operations. In London, for example, the only buildings where they can fly from the roof of are the International Press Center and Mirror Group Newspapers. The Twin-Squirrel is the only helicopter which has been cleared for rooftop landings.

"The problem we have at the moment," said Keith, "is persuading the CAA [Civil Aviation Authority] to legislate specifically for the helicopter rather than trying to adapt it to rules for fixed-wing aircraft. It's even more restrictive on the Continent, West Germany particularly and France, where you basically are not allowed to fly without permission from the local prefecture. The climate is improving though."

Whether a corporation opts for a helicopter or a plane depends on how far executives need to travel and how often. "Bear in mind that the helicopter provides one unique facility, the ability to take off and land vertically. If you do not require that, then the helicopter is useless to you because of its high operat-ing cost." Keith says. "Sensibly, planes will be used for long distances, helicopters up to 200 miles. That includes Paris, Brussels, Antwerp, Leeds, Dublin, which are all about an hour and a quarter from here. If you need regularly to go farther than that, then perhaps you need a plane, unless having got there, the places you need to visit are very close together."

John Wilson, McAlpine's company secretary, says a Twin-Squirrel can fly executives around for 85 pence per passenger mile. This compares to the Automobile Association's estimate of 71 pence per mile for a 4.5 liter car. Wilson's figure takes into account tax relief, finance charges, insurance, maintenance and operating costs. It assumes that four seats will be filled on every trip and that the helicopter will fly 700 hours a

Unless a helicopter is needed for more than 300 hours a year, it makes sense to charter a helicopter an hour for a Twin Squirrel and £750 for a Dauphin.



Brighton beach and pier: "A beach that nature intended for walking on in sturdy shoes, breathing in the bracing air."

Mass Melancholia in British Pleasure

by Hans Koning

RIGHTON, England --There is something inherently melancholy about English pleasure resorts. know this is a subjective impreson and it should not infuriate the British Tourist Authority. But assuming there is truth in it, why would this be so?

Part of it may be that the concept of public pleasure is still considered a bit lower-class in England. If you can afford it, you enjoy your public pleasures privately: members only. Transferred to Anglo-Saxon America, this means that public pleasure is a Mass Concept. The masses at pleasure in the United States are as hemmed in as protected elephants in a nature park. In the United States the good spots themselves tend to be private, be they beaches, mountains, or whole

trying too hard, of acting like Latins at the Mediterranean or even like Latins at a TV-commercial Mediterranean. Trying to be gay (in the old-fashioned sense) is always rather pathetic. The English climate does not help but it cannot be made the scapegoat. The Netherlands has a worse climate but the Durch seaside is not melancholy (I'm thinking here mostly of resort pleasure of the "By the sea, by the sea, oh how happy we'll be" kind). Cold or not, the Dutch genuinely believe in loafing on café terraces. The English are really more at ease in hotel catacombs or in cozy pubs. Enough generalizing. Take Brighton, which is as typical as you can get for such a resort, one that is near a big city. Brighton is as close as the sea gets to a Londoner unless

he's ready for a dip in the Thames

miles (80 kilometers), to have become a real town and not some sort is impressively long: It was here in 1750 that Dr. Richard Russell started prescribing his water cure, and a pint of sea water a day. Unlike Vichy, in France, where a similar regime with spring water attracted the decrepit and near-decrepit rich, Russell managed to lure young swells worse for wear after a hard season in London. The place really took off when the swell of the century arrived, the Prince of Wales, later Prince Regent, still later King George IV. George was 21 then, the year 1783. He hardly ever left afterward and he had built what is now to Brighton as the Eiffel Tower is to Paris: the Royal

gland's Indian fantasies, and the pavilion was given the form of a maharaja's palace, My 1855 Gazetteer, though, thinks it was modeled on the Moscow Kremlin. It is a bit of both, maybe, with some touches of avant-la-lettre Walt Disney. Inside it is neither Indian not Russian but Chinese, if a sort of chinoiserie Oueen Victoria was so embarrassed by its bad taste that she had the good pieces of furniture carted swarming with folks. The beach is away, 140 cart loads in all, then sold the empty building to the town of Brighton

estuary. But it is far enough, 50 444 W

"In the summer, swarming with folks."

cent was using it for his Petronius- bracing air. It is a very neat beach, queen has lent back most of the lawns and concrete "convematter how ugly its end products), ples), and there is even a naturist, the Royal Pavilion has quite regained its glamour. It is what "bealthy" seem brings in the holidaymakers (a ter-than "sensual." rible word but that is what they call

Seas go these days. Still and all, I ful, but I lack the will to investigate the council is in cannot help feeling it is a beach what a Fun Bar may be like. the process of restoring it to the that nature intended for walking All this isn't serious and yet, melway it looked when the Prince Reon, in sturdy shoes, breathing in the ancholically, much too damn seriW.W. Norton in September 1987.

course, the beach and the sea.

style entertainments. The present with somewhat spartan walled original lamps, chairs, and tables. niences," it tries for a sensual imin our age of nostalgia, and of reage (my official brochure portrays spect for real craftsmanship (no not less than three necking couthat is nudist, stretch; but the word "healthy" seems more appropriate

On the pier, people take potshots them here), that, and the last re- at a wooden otter in the rifle stand, Chinese. Later, George's niece maining of the three piers, and, of and when they hit it, the animal pees on them (water, I hasten to On a summer day, all those are add). On the upmarket side of the pleasure is the new Fun Bar of the pebbly, but so is Cannes and Nice, Grand Hotel, with a capital F. The it is wide, and it faces a clean sea, as Grand, redecorated, looks beauti-

finally ends, and that takes a long time in summer at 50 degrees S minutes north latitude, day trip pers leave and natives stay on with mutual sighs of relief.

But now, in the middle of the Atlantic winter, Brighton is some thing else again. Now it takes its revenge on those exotic places which themselves sink into bottom less melancholy at the end of their "season" (think of Brigitte Bardot's
"Fin de l'Etè"). Now the holiday-makers blend in with the natives and, the moment the words "resort" and "pleasure" can be dropped, Brighton becomes simply a small English town under a spectacular sky facing a spectacular sea.

Within the new breathing space in the streets — made roomy by the winter rains - you see fine bits of 18th-century architecture from the vantage points they need. Regency. Square turns out to be a low Ushape of lovely 1800s houses. The Old Steine, pronounced steen, not a parking lot for tour buses and ice cream wagons but a triangular conflict of streets on which the Royal Pavilion more or less faces. In the regent's day, the Steine was the field where the fishermen dried and mended their nets. Now that the tour guides no longer invite you. to think away the houses and the traffic, the Steine is a real town

On a December day, when it - 14 darkens shortly after 3, wet pavements reflect the lights of the cars and the shop windows. The Royal .. Pavilion and the Dome Theatre, one the regent's stables, loom with softened outlines in the uncertain light and begin to fit in. In the bare trees of the square, thousands of .. starlines twitter and take off at a . mysterious signal to circle over the pseudo-Kremlin cupolas. The place. acquires a dignity of our time and you don't regard it only with regret that it has pushed away nature and the fishermen's field. Overhead, the high wind from the Channel chases the clouds. When you cross the street to look out over the waves, you see how under the threatening sky, with a smear of red where the pours, the sea is Homerically wine-

Hans Koning's new book about

FOOD

Piquant Tale of Madame Jacques

by Mark Kurlansky

ORT-DE-FRANCE, Martinique --Nobody seems to remember who Madame Jacques was, but her rear end has been immortalized in one of the great cuisines of the Americas.

La queue de Modame Jacques is the Martiniquaise name for a bulbous indigenous pepper that will burn your ears off with one bite. No Antillean chef would be without it. But in spite of this taste for the piquant to the point of torture, the word subtle keeps coming to mind when describing the food.

Cuisine in the Caribbean, like the people, is a blend of India, Africa, Europe and native America. This is true everywhere and the ratios in the blend account for more of a difference from one island to another than any other factor. In gastronomic terms, these four strains are nowhere blended more gracefully than in Martinique.

Of course they are not always blended. Martinique is a département of France. And just as the people speak both French and Creole (an African and French Caribbean language) so there is French food and Creole

The most celebrated dish in Martinique is blaff. A fish, usually a red snapper, is marinated in garlic and time juice and then steamed in water seasoned with parsley, thyme and green onions. After about 10 minutes' cooking crushed hot pepper and garlic and lime juice are added and the fish is served in its broth.

The dish is light and simple, made from the garden staples of Martinique. There is no butter, no oil, no fat, just a concentrated essence of natural flavors. A popular variation on this, and a personal nomination for the greatest dish in the Caribbean, is blaff d'oursin. The oursin, delicate café-au-lait colored meat from white sea urchins, is prepared like a fish blaff and the combination of rich seasoning, the fine flavor of the urchin and the burning pepper is a perfect example of that odd sensation - a peppery bot dish that is also subtle,

Everything has to have that pepper in it. If it doesn't make you cry it's not Martiniquaise. "If there is not pepper in the dish, it lacks charm," said Julot Ichelmann, owner of a small very Creole seafood restaurant in the resort town of Vauclin.

There are lobsters, shrimp and both land and sea crabs. The land crabs live a soft life before their final demise, kept in cages on a diet of bananas, corn and sweet potatoes.

Like in all of the islands, conch, known by the Creole word lambi, is a staple food, Lambi is a tough strip of muscle with a taste so distinct and delicate that it is worth all of the struggies to make it tender. Every island has preferred solutions to this problem and here it is frieasée.

Tomato, onions and herbs are cooked in butter and oil. Water is added and the minced lambi is then lightly cooked and seasoned with lime and pepper. There are a lot of variations on this dish but the lambi always ends up tender and carefully blended ... with other flavors.

Chatrou is a small octopus that is cleaned in lime juice and marinated in rum and 4 cooked with herbs. Traditionally it is served ... on top of red beans, which are placed on a

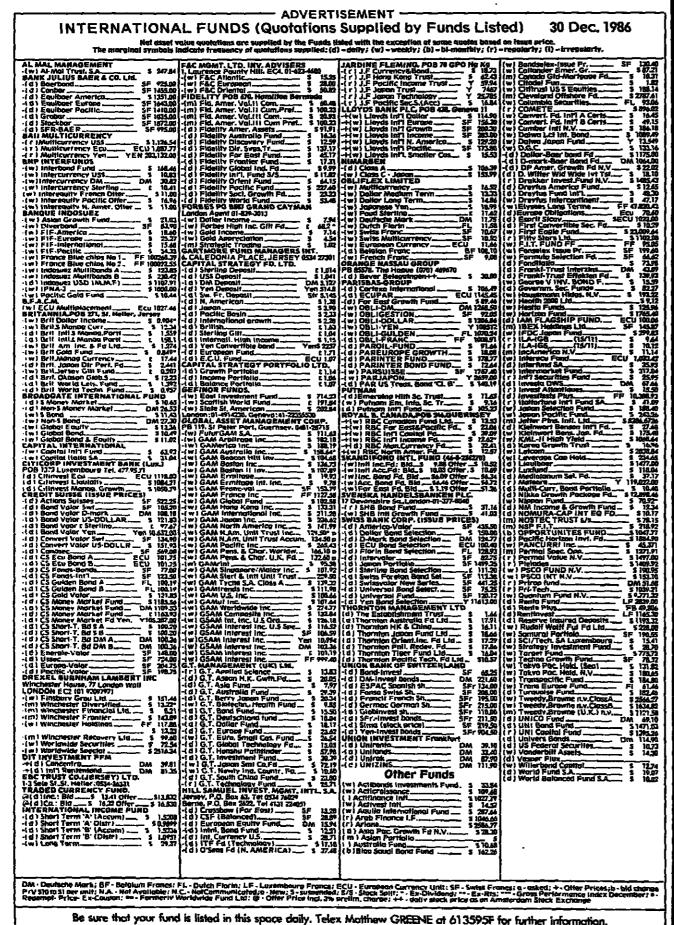
Casava flour is one of the indigenous elements of creole cooking. The native Indians of the region, the Caribs, were using this root when Columbus arrived. It is toxic and they extracted the juice to use as poison. The remainder of the root is safe and is ground into a flour used for bread and cooking throughout the Caribbean.

In Martinique, blood sausages - bouding noir - are made by blending the blood with herbs and casava flour. Unlike in Europe, blood sausages here are always boiled, never

Turtle is also essential to Martinique cooking and like lambi, it takes a lot of preparation, the best steaks of the turtle. resemble mediocre beef and the fins are. gelatinous and bony.

But always the blending of herbs and bot peppers is essential. "When you are making blaff you should smell it for 20 kilometers." says Max Cantinol, chef of the Poisson Rouge outside Fort-an-France.

Mark Kurlanksy is a Miami-based journalist.









by Stewart McBride

ISure

REMANTLE, Australia — On the might of Sept. 26, 1983, the America's Cup was ceremoniously un-bolted from its pedestal at the New 'ork Yacht Club, where it had perched for 32 years. The boisterous Australian milionaire Alan Bond and his yacht Australia I had taken the cup from the Americans in Vewport and carried it halfway around the slobe to his Royal Perth Yacht Club, where t has stood since, swaddled in red velvet chind bulletproof glass.

For the last three months a record 13 challenging 12-meter-yacht syndicates from six nations have competed in hundreds of elimination races in the treacherous strip of the Indian Ocean off Perth. In the semifinals, four survivors are competing to chalof seven America's Cup races.

This has already lured to Western Australia an international press corps of more than 1,800 and \$1.8 billion in tourist-related investment capital. Qantas, Australia's national airline, has confirmed 12,000 North American bookings for the cup and is likely to increase its flights between Sydney and Perth during the final month of racing. Thus far the Western Australian Tourist Commission expects 1.3 million visitors, nearly twice as many as normally visit Perth in the same

five-month period. Perth, an English settlement founded in 1827 (just 24 years before the America's Cup races began), was once British to the nines. Today, however, it resembles California more than Cornwall: pristing surfing beaches, water sprinklers on suburban front lawns, neon signs, tacky shopping malls. Americans have gone so far as to dub Perth "San Diego without the smog."

Perth, a prosperous sun-drenched metropolis of a million people, is a tiny island of civilization, sandwiched between the Indian Ocean and a red dust desert that makes the Mojave look mild. "Perth is a happy oasis clinging to the edge of Western Australia," said John Wagers, a fifth-generation resident and a member of the Royal Perth Yacht Club. His hometown is so remote that, the engineering professor says, "when I need spare machine parts I fly 3,000 miles to

Western Australia is a state three times the size of Texas with one-tenth the population. It also happens to possess the world's largest alumina deposit, three-quarters of Austra-lia's gold, and enormous iron, nickel and diamond resources. In this miners' paradise, Perth acts as a sprawling surveyor's office, a boom town with a high rate of millionaires per capita. International tycoons like Alan Bond and Robert Holmes à Court keep Beverly Hills-style mansions in Dalkeith, Peppermint Grove, Applecross -- Perth's sumptuous suburbs overlooking the Swan River.

Twelve miles down the Swan River is Fremantle, a seaport of 23,000 inhabitants. From here the competing 12-meter yachts depart daily to sail the 24.1-mile (39-kilometer). America's Cup course. Fremantle has a frontier tradition and striking Victorian architecture - its low-profile gingerbread architecture, ornamented turrets and wrought iron verandas are legacies of 1890s gold rush in Kalgoorlie and Coolgardie. More than 150 buildings in Fremantle are registered by the National Trust of Australia, and during the America's Cup boom, Australia's best preserved Victorian town has spiffed itself up to host a sporting event begun in the reign of Oueen Victoria.

Perth and Fremantle have left behind their Waltzing Matilda days and are being

gentrified by chic restaurants, outdoor cafés, exclusive clubs and sky-high rents inflated for arriving "yotties." Tourist officials say that Perth has more first-rank hotels and restaurants per capita than any city in Aus-

Everyone is getting into the restoration act from the Aga Kahn to Ansett Airlines. The Aga Kahn, who helped sponsor the Italian yacht Azzurra from his Yacht Club Costa Smeralda, has transformed a Victorian trade union hall into a swank Sardinian restaurant. Ansett Airlines, half-owned by the press magnate Rupert Murdoch, has converted an old fish cooperative into its Golden Keel Club for international businessmen who are served morning crosssants and daily America's Cup briefings from John Ber-trand, the retired skipper of the Australia II, the 1983 cup winner.

Despite all the effort to gussy up Fremannean fishing village. The town is strewn with corner Italian grocery stores where one is 'more likely to find five different grades of olive oil than barbecue sance. On Friday nights, Fremantle's South Terrace feels downright Neapolitan, with trattorias like Papa Luigi's and Gino's serving Italian spe-cialties at sidewalk tables.

Some locals may fear the Italian workingclass town they affectionately call "Freo" has become too much of an Australian Saint-Tropez, yet many overseas visitors, like Califormia's Diana and Jim Jessie, have become genuine Fremantle boosters. Diana Jessie, who sailed here from San Francisco with her husband, Jim, says: "Fremantle is much more relaxed than Newport, and being here takes away all that Vanderbilt mystique surrounding the cop. Fremantle is the best thing that ever happened to yachting."

Stewart McBride is a Paris-based journalist.



Some of the America's Cup competitors, and (right) long-time residents.

Investment Strategies & Opportunities on the Paris Stock Exchange

An International Conference Sponsored by International Herald Tribune & French Company Handbook Paris, February 9-10, 1987

This major conference will provide financial executives with a complete overview of the Paris Bourse's potential, including specific insights into promising industry and stock selections. It will also examine the impact of denationalization and deregulation as well as the effect of changes in the nature of the Bourse such as the introduction of new financial instruments, greater liquidity and the listings of a wide variety of new companies. To register for this timely conference, please complete and mail the registration form below.

Simultaneous translation will be provided at all times.

SHOPPING

Treasure House of Geisha Combs

by Amanda Mayer Stinchecum

YOTO, Japan — In the middle of the Gion District of Kyoto, the center of the city's geisha world, a narrow, three-story, tile-roofed milding is wedged between coffee shops, outiques, restaurants and souvenir shops.

Amid the street's conspicuous glamour stands Nijusanya, a tiny shop specializing in boxwood combs and ornaments used to style the sculptured hairdos (or wigs) worn by geishay and actors of the Kabuki stage. The store has been on Shijo-dori, Kyoto's Fifth Avenue, for more than 70 years.

Combs apparently made of bamboo are depicted on ancient clay tomb figures of the lowen Period (up to 200 B.C.), and a large comb 1,200 years old, excavated from a palace size in Nara, the first permanent capital of Japan, is very similar to the shop's old signboard — a bowed comb a foot long (about 30 contimeters).

During the 18th century, combs were in-creasingly used as hair ornaments. They became objects of luxury, made not only of



wood or bamboo but also of tortoise shell and ivory, decorated with gold, silver and colored languers, precious metal inlays or

Mother of pearl.
After the Meiji Restoration of 1868, with the influx of Western influence and a simplilication of Japanese dress, the elaborate mabs of the preceding era gradually reverted to easier types, the more simple utilitarian comba seen today in Nijusanya's display

Combs made of Japanese boxwood commend higher prices than their imported consterparts—for example, boxwood from Theiland - which is not as strong. As Japathe borwood becomes scarcer, its price con-



tinnes to rise. In the old days, says the shop manager, Isamu Kakie, every time a girl was born in Kagoshima, the family planted a boxwood tree. By the time she was of mar-riageable age, the tree was ready to be cut and made into combs for her trousseau

The best boxwood is kitsuge (yellow boxwood), from Kagoshima Prefecture on the island of Kyushu. Once cut, the trees are left to dry for a year, then smoke-cured. The raw wood is much easier to carve; curing makes the wood harder. The warping that occurs during the drying and curing processes is corrected by clamping the pre-cut slabs of wood before cutting the teeth of the combs.

Every Japanese boxwood comb at Nijusanya is made by hand, each tooth handcarved, requiring great skill to make the teeth straight and give them a smooth finish that will not damage the hair. Kakie was a comb maker for decades until the proprietor of Nijusanya promoted him to manager. He made the bamboo combs (now rarely made and no longer sold by Nijusanya) called togushi, consisting of two, back-to-back rows of dozens of extremely fine teeth. Togushi were used for cleaning the hair between infrequent washings, the fine teeth drawing grease and dust from the hair.

The word for comb, kushi, is associated with misfortune because, in addition to the numerical meaning of the syllables ku and shi (9 and 4), ku also means suffering and shi means death. It is considered bad luck to give a comb as a gift unless it is accompanied by money, to compensate the recipient for the bad luck he may receive with the comb.

Few, if any, boxwood combs are now made in Kyoto; those sold at Nijusanya come from Kaizuka, near Osaka. There are still about 10 craftsmen there, the youngest of whom is in his 50s and most are closer to 70, according to Kakie. But in the mid-19th century as many as 200 workshops flour-

ished there, he said, able to support all their artisans solely by the manufacture of hand-made combs. Kushi Jinja, the comb shrine, in Kaiznka attests to the great number of

people once involved.

The hair clasps (made of Thai boxwood because Japanese boxwood is too hard to carve into the sometimes intricate, traditional designs), in addition to being an elegant but easy way to hold hair together, are better than metal clips or rubber bands because they don't break the hair.

There are two basic comb shapes for everyday use — an elongated box used by women, and a short-handled style used by men. In medium sizes, these are about \$25 The larger women's combs can cost as much as \$40. Many of the long-handled combs in extreme shapes are for styling the elaborate hairdos and wigs of geisha and Kabuki actors. The styling combs are in the \$16 to \$20 range. Each comb made of Japanese boxwood is marked with the shop's crest; unmarked clasps of ornaments without the crest are Thai boxwood or camellia wood.

Hair clasps are made in dark-stained and natural Thai boxwood, beautifully finished to bring out the grain of the wood. The most elegant are the plain, undecorated ones in oval or rounded shapes (the largest of these cost about \$18.50). The more elaborately carved clasps, like those with curling vine scolls, are \$32. The single-stemmed kanzashi, or hairpins, are worn as ornaments in thick hair. A gingko leaf hairpin costs \$14 and an openwork bamboo hairpin is \$17.



Amanda Mayer Stinchecum, a specialist in Japanese textiles, is writing a guide to tradi-tional Kyoto shops to be published by John

FEBRUARY 10 09.00 THE ECONOMIC OUTLOOK FOR FRANCE. Edouard Balladur, French Minister of Economy. Finance and Privatization. **10.00** Coffee **10.30** FRENCH FRANC, INTEREST RATE AND BOND MARKET

Panel participants: Banque Indosuez, Banque Nationale de Paris, Créalt Industriel et Commercial, Group des Assurances Nationales.

12.00 LATEST COMPANY DEVELOPMENTS

14.15 THE DEREGULATION OF FRENCH INDUSTRY AND ITS IMPACT ON CORPORATE COMPETITIVENESS.

Alain Modelin, French Minister of Industry. Postal/Telecommunications and Tourism

15.15 LATEST COMPANY DEVELOPMENTS 15.45 FOREIGN INSTITUTIONAL INVESTOR SELECTIONS ON THE PARIS BOURSE Panel Moderator: Roger Homett Head, European Division, James Capel & Ca, London.

"Major French companies gwing shart news-bulletin presentations of their latest company developments will include: Béghin-Say, Compagnie Générale d'Bedricaté, Compagnie Générale des Esux, Compagnie La Hérin, Dariy, Daois de France, Estilor, Loux Wilton, Rivone-Routena, The SEP Group, SODECHO, Thomson-CSF, KURL-Compagnie Francaise des Pétroles.

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09.15 NEW TECHNIQUES OF OPERATING ON THE PARIS BOURSE

10.45 FRENCH INSTITUTIONAL INVESTOR PANEL: Industry

Group Selections for Stock Market Performance in 1987. Panel participants: Crédit Agricole, Crédit Lyonnais, Groupe Victoire, Société Générale. *12.15 LATEST COMPANY DEVELOPMENTS

IS THERE A MEANINGFUL CHANGE IN NATIONAL ATTITUDES TOWARDS BUSINESS IN FRANCE?

David de Rothschild, Chairman, Rothschild &

Panel participants: AXA, Crédit Commercial de France, Crédit du Nord.

16.15 LATEST COMPANY DEVELOPMENTS.

16.45 OPPORTUNITIES IN FRENCH TECHNOLOGY.

Jacques Motsonrouge, General Manager of Frances Industry Ministry, former Chaliman and CEO of IRM World Tirote Corp.

ASSOCIOS BORQUE. 14.45 FRENCH INSTITUTIONAL INVESTOR STRATEGY AND SELECTIONS ON THE PARIS BOURSE.

Xavier Dupont, President, Paris Stockbrokers' Association, Partner, Dupont-Denant stockbrokerage

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CONFERENCE LOCATION Inter-Continental Hotel, 3 rue Castigliane, 75040 Paris, Cedex (H, F Telephone: (331) 42.60.37.80. Telex: 220114. A black of rooms has been reserved for conference participants. Please contact the hotel directly. CONFERENCE REGISTRATION FORM Please enroll the following participant for the Paris Stock Exchange Conference. Please Invoice. Cheque enclosed	
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Jaguar Reports Records for 1986 The Associated Press LONDON - Jaguar, the British luxury auto manufacturer, has announced that its produc-tion and sales figures had reached record highs

Record output in the two weeks before the Jaguar factories in the English Midlands closed for the Christmas holidays helped the company end the year with a record production of 41,437 cars, 8 percent higher than in 1985.

U.S. Futures Via The Associated Press

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Applied Power Car Únit WAUKESHA, Wisconsin — Hein-Werner Corp. said that it has signed a definitive agreement to buy the North American and European operations of Applied Power Inc.'s Blackhawk automotive division in a stock transaction. The value of the transaction was not lineared.

Applied Power will get 300,000 shares of Hein-Werner common stock plus up to an additional 800,000 shares if Hein-Werner's earnings and stock price meet certain criteria, or if there is a significant third-party acquisition of cant third-party acquisition of Hein-Werner stock, Hein-Warner

2 Small Ohio Airlines Merge

COLUMBUS, Ohio—Northern Express Airlines Inc. said that it has agreed to merge with Air Mid-America Inc., also based in Columbus, and plans to commit \$8 million to \$10 million of capital to the new company. Terms of the merger were not disclosed.

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Moody's: base 100: Dec. 31, 1931.
p - preliminary; f - final
Reuters: base 100: Sep. 18, 1931.
Dow Jones: base 100: Dec. 31, 1974. <u>Market Guide</u>

Spot

Commodities Today 50.70 0.66% 273.00 0.28 5.365 473.00 76.17 4.1024 Treasury Bonds

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JAKARTA — Foreign invest-ment in Indonesia fell for the third consecutive year in 1986, the chair-man of the Foreign Investment Board, Ginanjar Kartasasmita,

said Thursday.

He told the Antara news agency that foreign investment approvals fell to the equivalent of \$826.2 million in 1986 from \$859 million in 1985. 1985. Foreign investment has been falling since 1983, when approvals totalled a record \$2.73 billion.

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FRIDAY, JANUARY 2, 1987

WALL STREET WATCH

Investors Take Cold Bath In New Closed-End Funds

By JOHN C'BOLAND

New York Times Service ALTIMORE — Last year brought the greatest surge in sales of new closed-end investment funds since the late 1920s, about \$4 billion worth. While that made a banner year for Wall Street underwriters and fund managers, results for investors who bought into the 28 new funds have mostly been disappointing. All of the largest issues are trading below the prices of their initial public offerings.

The dismal tally is no surprise to professionals accustomed to the risks of initial public offerings. In August, Legg Mason Wood Walker Inc. led an underwriting group that distributed \$60 million worth of World Wide Value Fund Inc., at \$20 a share.

The only consistent

After underwriting fees of \$1.50 and portfolio losses, the net asset value of the multicountry fund has slumped to about \$17 and the share price o \$15. Investors who bought n the initial offering in Auust have lost 25 percent.

winners have been underwriters and fund managers. Early investors in many of he popular single-country unds have suffered similar losses. Italy Fund Inc., which debuted

nc., which came public in June at \$9, has failen to \$8. Nor have funds keyed to other themes fared much better Whether seeking growth stocks, undervalued assets, bank shares trading gains, income, or "hot hand" managers, all of the larger new investment companies have given initial investors a cold

t \$12 in February, recently was down to \$9. Scandinavia Fund

bath, often in a hurry. Late in December, Merrill Lynch stopped supporting the market price of its huge, \$510 million Liberty All Star Equity Fund (ticker symbol USA), and the price promptly sagged from the \$10 offering price to \$9. The fund, which came public on Oct 24, is run by a Liberty Mutual Insurance Co. subsidiary, which farms out the money to "the top five managers in the country," a spokesman at Merrill Lynch said. As underwriter, Merrill collected \$38 million.

O DATE, the only consistent winners have been Wal Street's underwriters, who booked more than \$250 million in fees for bringing the funds to market, and the funds managers, who typically collect fees equivalent to about 1 percent of fund assets each year, in perpetuity. Unlike mutual funds closed-end investment companies do not redeem their shares or investor's demand. A closed-end fund represents an annuity for

"I'm not thrilled at the 6½-percent load," said Marty Zweig, whose Zweig Fund raised \$340 million, less underwriting costs, in September. But without the sales charge, he noted, brokers would not sell the shares. The aggressively-traded fund, which follows: Mr. Zweig's market-timing studies, has sunk from \$10 to \$3.88. Funds overseen by two other popular managers, the \$137 million Growth Stock Outlook Trust Inc., run by Charles Allmon, and the \$410 million Gabelli Equity Trust Inc., managed by Mario Gabelli, have also suffered setbacks.

Given this record, some analysts say it is folly to buy untested closed-end funds through initial public offerings. "Nine times out of 10, they're good short sales when they come to market," said Thomas J. Herzfeld, president of Thomas J. Herzfeld Advisers Inc., in South Miami. For one thing, he said, underwriting costs take an immediate 6 percent or 7 percent bite from an investor's

Edmund J. Cashman Jr., senior executive vice president at See FUNDS, Page 12

Currency Rates

2,076 A.0740 1,444,42 2,374 7,8743 1,657,17

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nd FF); Lloyds Bank (ECU); Red

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By John F. Burns New York Times Service TORONTO - Negotiators have agreed on a plan to set aside a 15 percent U.S. tariff penalty on Ca-

The agreement will apply to Ca-

utives condemned the agreement Wednesday. They were joined by politicians opposed to Prime Min-ister Brian Mulroney's government, which reached the agreement in Washington late Tuesday under the pressure of a midnight deadline

Industry analysts in Canada forecast that the export tax would reverse a trend that has seen Canada widening its American market share in recent years, as layoffs and bankruptcies have increased in the

low fees in Canada for timber cutting amount to an unfair subsidy, led the fight for a tariff penalty that resulted in a Commerce Department ruling on Oct. 15 that imposed the 15 percent levy.

Critics here had argued that Canada should resist increased softwood levies and should carry the issue into international trade tribunals if necessary. The government decided to go for a quick settlement that would keep the increased duties, amounting to an estimated \$435 million, in Canada.

In addition, Canadian officials wished to avoid a final ruling by the Commerce Department on the unfair subsidy issue, which they feared would encourage petitions by other U.S. industries facing strong Canadian imports.

The announcement of the accord vas greeted with satisfaction in official quarters. The premier of Brit-ish Columbia, William Vander Zalm, whose province accounts for

It Replaces U.S. Tariff Penalty

5 percent Canadian export tax. nadian exports that captured 32 percent of the U.S. softwood market in 1985, at a value of about \$2.9

set by U.S. trade law.

U.S. softwood industry. U.S. companies, contending that

See CANADA, Page 12

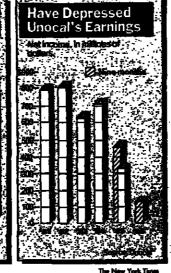
Canada Accepts Wood Tax

nadian softwood exports to the United States and replace it with a

Canadian humber industry exec-

oil at \$25 a barrel; the recent price of \$15 a barrel squeezed even the healthiest of oil compa-nies and made business that

The Decline In Oil Prices . . . And a Costly Restructuring . . . THE WAY THE THE THE



Unocal Recovering From 2 Ordeals Drop in Oil Prices, Pickens Battle Leave Some Scars

Petroleum Exporting Countries last month, that is far from the

dramatic improvement needed.

Unocal's earnings have tum-bled from \$700 million, or \$4.03

a share, in 1984, to \$325 million,

or \$2.36 a share in 1985, and an estimated \$1.30 a share last year.

The one bright spot has been the refining and marketing oper-

ation, which has done well be-

cause 1986 prices of finished pe-

troleum products, including gasoline, did not fall as fast as

crude-oil prices. But that wind-

fall appears to have ended, and

analysts are looking for only

moderate earnings improvement

this year. Mr. Hartley took a more opti-

He said that the company

cash flow in 1986 of about \$1.4

billion after interest payments

was strong enough to pay for a good-sized exploration and de-

velopment program, pay the dividend to shareholders and still

have enough left over to pare the

debt to \$5.4 billion, or about 75

percent of total capital.

mistic view.

New York Times Service much more difficult for Unocal. LOS ANGELES — Fred L. Hartley, the feisty chairman and chief executive of Unocal Corp., has in the last year and a half endured an oilman's nightmare: "They are clearly enormously encumbered," Mr. Margoshes said. "There's no way for them to really prosper unless there's a dramatic and sustained improvethe one-two punch of a hostile ment in crude-oil and naturaltakeover attempt by T. Boone Pickens and plummeting crudegas prices." Although the price of crude has risen to nearly \$18

oil prices.
Unocal has paid a price for those ordeals, and analysts say it is too soon to gauge the company's long-term prospects. But still, given the circumstances, Unocal appears to be emerging from its troubles in relatively

good condition.

They have managed reasonably well in a difficult environment," said Sanford L. Margoshes, an analyst at Shearson Lehman Brothers. "They're muddling along."

Unocal's problems started when Mr. Pickens, the chairman of Mesa Petroleum, made a run at the company last year. Unocal successfully fought off Mr. Pickens, but at the cost of

taking on a huge debt load — an additional \$4.4 billion, bringing total debt to a peak of \$5.9 billion -- to buy back 40 percent of its shares at a prem Paying off that debt and keeping the company operating normally was burden enough with

"We think we're in pretty sta-

since a pricing agreement was reached by the Organization of

In addition, the company re-

ble shape," he said.
To gain that stability, Unocal has done what almost every oil company has done since crude prices spiraled downward last winter and spring: slashed capi-

Mr. Hartley said the company had spent \$700 million through the first 10 months of last year, compared to \$1.2 billion in the same period the year before. But exploration and development, which account for about 70 percent of the expenditures, have not suffered proportionally because those operations have become more efficient, Mr. Hartley

As crude prices fell, Unocal trimmed its work force by 1,100, or 5 percent, through an early retirement plan that should bring annual savings of \$125 million. It also cut the quarterly dividend on its common shares to 25 cents from 30 cents, saving another \$20 million, and delayed further payments to shareholders in Unocal's master limited

structured its debt to take advantage of falling interest rates, placing some debt with private investors and switching from floating-rate to fixed-rate pay-ments on other portions of its loans to lock in lower rates. Monthly interest expenses, See UNOCAL, Page 12

Bell Unit, Vying With Murdoch, Raises HWT Bid

MELBOURNE — Robert Holmes à Court's Bell Group has increased its takeover offer for Herald & Weekly Times Ltd., Australia's largest media group, to an indicated 2.02 billion Australian dollars (\$1.34 billion), HWT's chairman, John Dahlsen, said

Thursday.
The offer, from J.N. Taylor Holdings, was raised 50 cents a per, magazine and television properties in Britain, the United States The new Bell offer for HWT compares with an existing bid by Rupert Murdoch's News Corp. of 12 dollars a share, or 1.8 billion

dollars. The HWT board meets Friday to decide on the bids. Mr. Murdoch

had given HWT till Friday afternoon to accept his offer.

The HWT board said in early

December that it would recom-mend that shareholders accept the Murdoch bid. Taylor is also offering scrip alter-

natives of nine Taylor convertible notes or preference shares for every five HWT shares. Its initial bid, announced on Dec. 24, offered seven Taylor notes or preference shares for every four HWT shares.

Mr. Holmes à Court, an accomplished corporate raider who is Australia's wealthiest man, has also eased the conditions of his offer by requiring acceptance of only 52 percent of shares compared with the previous 90 percent

News Corp. officials were not mmediately available for comment on the new Bell bid.

HWT has often been the subject of takeover speculation since it fought off bids aimed at a 50.1percent controlling stake by News Corp. in 1979 and by Bell Group in

It then built up a series of protective crossholding associations, no-tably with Queensland Press Ltd. and Advertiser Newspapers Ltd.

The recent Murdoch offer had been characterized by analysts as virtually an agreed bid.

But Foreign Minister Bill Hay-den had said he was disturbed by the bid, which, if successful, would give News Corp. a monopoly in three Australian cities and control 4.2 percent, to \$5.2 billion.

of major newspapers in every state

capital.

He said he intended to raise the issue at a cabinet session. Mr. Murdoch is already the owner of Australia's only national dai-

ly, The Australian, and controls or has other interests in Australian newspapers and two major televi-

Mr. Murdoch also owns newspo

Polish Debt **May Surpass** \$35 Billion

WARSAW --- Poland will be unable to meet interest repayments to Western creditors in 1987 and its hard-currency debt is expected to reach more than \$35 billion, ac-

cording to official statistics. An economic plan for 1987 cited by the official PAP news agency on Wednesday envisaged a trade sur-plus with the West of \$1 billion, virtually unchanged from last year.
But PAP said, "Poland will con-

tinue to lack enough currency to fully pay interest on foreign debt, which means that full indebtedness will grow to more than \$35 billion." Poland has fallen behind in pay-

ing interest for at least two years, and has failed to reach agreement with the Paris Club of 17 Western creditor nations on rescheduling 1986 гераументя. Finance Minister Bazyli Samoj-

lik said recently that Poland would repay less than \$2 billion in 1986, but would not say how much needed to be rescheduled. Diplomats estimate that \$550

million could be lacking. PAP said exports to the West were targeted to reach \$6.2 billion in 1987, an increase of 5 percent over last year's level, adjusted for inflation, while imports should rise

France, EC Denounce U.S. Import Duty Rise

ports in a dispute over feed grain

"a grave threat of confrontation." It reiterated EC Commission hopes that an agreement would be into effect no later than Jan. 30. EC external trade commissi warned that, "The community is ready to respond on the day the

wine, gin, brandy, cheese, olives,

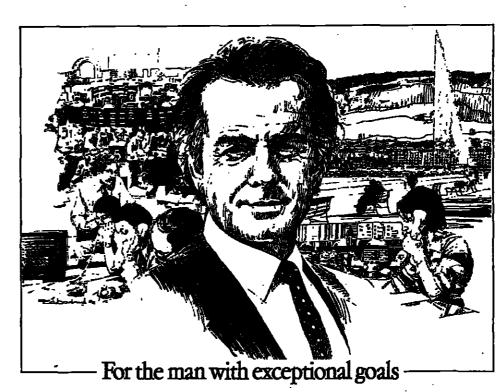
carrots and canned ham. They now carry import duties ranging between 15 and 20 percent. The French Association of Wine and Spirits Exporters said the threatened levies amounted to a ban as they would price imports out of the U.S. market. It said the United States accounted for 25 per-cent of French exports of wine and

The U.S. trade representative

year, or the value of the markets the United States said it lost. Negotiations have left both sides far apart over the issue. The EC has argued that any compensation

Spanish entry through lower tariffs gaining to try to avert a damagin

world total. Commission officials in the EC, which groups 12 West European countries, said they expected a meeting of senior officials either in



ASSET MANAGEMENT IN SWITZERLAND

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The Tratle Development Bank head office in Geneva,

Markets Closed

All major world stock, commodities and credit markets were closed. Thursday for the New Year holiday, and will remain closed in Japan and Switzerland on Friday. Market listings in this edition are from the close of trading on Dec. 31.

PARIS - France has criticized as unacceptable the U.S. decision to impose 200 percent tariffs on some European Community ex-

Prime Minister Jacques Chirac said France feared the decision carried

ached before the import duties go In Brussels, Willy de Clercq, the American measures come into force." But, he added, there "re-States, it insists, will benefit from

... through negotiation."

France's foreign trade minister,
Michel Noir, said the United States had chosen "the Rambo method" by announcing the tariffs. He added that the EC would retaliate "eye for an eye and tooth for a tooth" if the United States raised to 200 per-cent import duties on cheap white

tres fell on the Paris Bourse on

Clayton K. Yeutter, said Tuesday that the measures would be imposed unless an agreement was reached on compensation for U.S. feed-grain markets lost when Spain joined the Common Market at the beginning of 1986.

He said the higher duties would

affect \$400 million in EC exports a modest in scale since the United

In Brussels, EC officials said that the community and the United States faced a month of hectic bartrade war. Trade between the blocs accounts for 30 percent of the

dle of the month.

was no clear solution in sight. "It will not be easy," one official said. "The positions of the two sides are

Nigeria Sets Slim '87 Budget, Allows for Oil 'Uncertainty'

LAGOS - Major General Ibrahim Babangida, Nigeria's leader, has announced a budget of 17.8 billion naira (\$8.3 billion at the official rate) for fiscal 1987, one of the smallest estimates since Nigeria hit the peak of oil wealth more than

10 years ago.

Coming midway in the country's two-year structural adjustment program, the estimates include a the International Monetary Fund contingency of 4.5 billion nairs to take account of "uncertainties" in the world oil market, General Babangida said Thursday in a nationwide broadcast.

consolidate the gains from the 1986 austerity budget of around \$11 bil-That budget was predicated on oil, Nigeria's economic lifeline, at \$25 a barrel, but could only manage a 77-percent performance on

barrel for most of the year.

the end of an economic emergency begun in October, under which sal-aries had been cut by up to 20 percent, and promised some tax relief to workers. He said that a major drawback

was Nigeria's estimated \$22 billion

foreign debt, much of which was

recently rescheduled after an agree

and creditor banks. General Babangida confirmed that Nigeria's structural adjustment program, hinged on the creation of a free foreign-exchange market, had received the endorse-He said that the budget would ment of the World Bank and the IMF, even though his 16-monthold regime rejected an IMF facility

a year ago because it would necess The endorsement is needed for credit lines to be recovened because capital expenditure after oil prices the import-oriented economy is fluctuated between \$10 and \$16 a starved of foreign currency, acthe import-oriented economy is

IBM, Merrill Abandon Joint Venture

By David E. Sanger Vew York Times Service NEW YORK — International

Business Machines Corp. and Merrill Lynch & Co. will end their ambitious venture to computerize the financial services industry.

The two companies said Wednesday that the action followed a "reassessment" of the financial feasibility of the venture, called International Marketnet.

The failure appeared to be a setback for both companies, which had staked millions of dollars on the highly publicized project. Over the past two and a half

vears, executives of the venture, commonly known as Imnet, had predicted that the combination of IBM, with its technical prowess, and Merrill Lynch, with its understanding of the needs of brokers and investors, could leap ahead of competitors like Quotron Systems lnc., now a subsidiary of Citicorp.

Two years ago, Joseph P. Castel-lano, the head of the Imnet venture. said. "In five or six years we think the market for Marketnet could be as big as \$1 billion."

But on Wednesday, Imnet's 267 staff members were called to a meeting to learn of the termination. Executives of Merrill Lynch and IBM would not comment, and efforts to reach Mr. Castellano at home were unsuccessful.

In the past two years, Imnet discovered that few brokerages other than Merrill Lyoch were willing to pay the price for the company's

Trustee Savings Will Sue U.K.

software and data bases accessible offices as the first customers, the by satellite from central computers. system was considered a serious "It cost too much, and the market just evaporated," one midlevel official of the venture said. "Starting about the middle of last year, it ame clear the whole idea was a

IBM and Merrill Lynch said the decision to end the project had been made "at the highest levels," presumably meaning it was ap-proved by John F. Akers, IBM's chairman and chief executive, and William Schreyer, who holds the same title at Merrill Lynch.

The companies said the decision to close Imnet would have no significant effect on earnings for 1986 от 1987.

With Wednesday's announcement, Imnet joins a long list of home and office information services that have failed in recent years. Last month, CBS Inc. pulled out of Trintex, a failing videotex venture with IBM and Sears that was established at about the same time as Imnet.

In March, Knight-Ridder Inc., the newspaper publisher, aban-doned its \$50 million videotex ef-fort, intended to bring news, stock prices and shopping information to home computers. Times Mirror Co. and Centel Corp. also abandoned their offerings in southern California and Chicago.

But Imnet was developed for an audience of financial professionals and was intended to do much more than provide information.
With Merrill's own 500 branch

competitor of Quotron. Quotron's stock value plunged nearly 30 per-cent when IBM and Merrill first

announced their plans.

But the only product that Imnet installed in volume was System 100, a program for analysis of equities that was never hooked to the Imnet network. A sophisticated portfolio-management system, in-tended for Merrill's offices and marketing to other brokerages, it was being tested at the time the

project was abandoned.
"The marketplace had not developed as we anticipated," said Trang Keller, Imnet's director of communications. "As we began to install the system, we thought we would find a much more sympa-thetic marketplace. But to get wide acceptance, the pricing structure had to change dramatically, and that shrinks the margin." Another Imnet official said a re-

IBM's instigation, had concluded that "the project would not be prof-itable for a long, long time, and might never be profitable at all." The cancellation also appears to end a joint effort of imnet and the Public Broadcasting System, which announced two years ago that it would send stock quotations and

financial news to home subscribers

cent review of a study, started at

over its television signal.
PBS officials, who had hoped the system would bring millions of dollars to the nonprofit broadcaster.

Esquire Sheds **Wednesday's** 3 Assets, Hearst Gets Magazine Prices New York Times Service NEW YORK — Esquire, the

NASDAQ prices as of Via The Associated Press

zines oriented toward male readers, including Popular Me-chanics and Boating and Sports Afield, but most of its maga-zines, including Town & Coun-try, Cosmopolitan and Harper's Bazaar, are aimed at women. Esquire has a circulation of 700,000. Seventy percent of its readers are men, mainly aged between 25 and 44.

monthly magazine that has been one of the publishing in-

dustry's greatest turnsround

stories in recent years, has been

bought by Hearst Corp. as part of the sale and breakup of Es-

quire's parent company. Esquire Magazine Group Inc.

In the overall transaction, American Express Publishing Corp. bought the Esquire

group's six-month-old publica-tion, New York Woman. Whit-

the Communications of Knox-ville, Tennessee, acquired its Esquire Health and Fitness Clinic, which publishes a bill-board magazine for health clubs. Shareholders of Esquire Magazine Group will continue to own Esquire Press, its book publishing division, and Fs-

to own Esquire Press, its book publishing division, and Esquire Video.

Phillip Moffitt, editor in chief and president of the Esquire group, said financial terms would not be made public Heart owner and pub

lic. Hearst owns several maga-zines oriented toward male

Canada's Mining Outlook Improves

Over Tin Losses LONDON — Britain's Trustee Savings Bank said it would sue the government for an undisclosed sum over losses incurred in making loans to the

International Tin Council. The council, a federation of the world's leading tin producing and consuming countries ran out of cash to continue its price-support operations in October 1985.

An official of Britain's Department of Trade and Industry said Tuesday that writs totaling just over £15 million (\$22 mil lion) were served on it before Christmas by Australia & New Zealand Banking Group, Kleinwort Benson and Arbuthnot Latham.

But he said the government one of 22 tin council members. did not accept liability for the council's losses.

Legal and banking sources said other banks that had also would take similar action.

CANADA: New Wood Tax

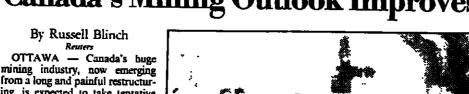
(Continued from first finance page) 70 percent of the softwood exports involved in the dispute, said that any damage would affect mainly U.S. consumers faced with higher

"Life will go on," Mr. Vander Zalm said. "The forest companies, I'm sure, will survive and continue to log and mill and do all of the wonderful things that create empleyment." This view was bitterly contested

however, by spokesmen for some of the companies affected, including which were nearly \$50 million right Adam Zimmerman, president of MacMillan Bloedel Ltd., a major forest-products company. Mr. Zimmerman, chairman of

the Canadian Forest Industries Council, said the agreement had made "an industrial paraplegic" of Canadian lumber companies and threatened to wipe our their profits. Other enties contended that the

agreement would throw as many as 20,000 Canadians out of work, set a proceedent for U.S. interference with the pricing of Canadian recurces and encourage protectionisl forces that made 1986 a troubled vear in Canada-U.S. trade,



ing, is expected to take tentative steps towards recovery in 1987, mining analysis say. But they add that optimism is tempered by the uncertain outlook for metal prices, especially nickel. "I'm cautiously bullish," said Geoffrey Carter of Midland Do-herty Ltd. "I think we are going to see a bit of a rebound in prices in

the second quarter" of 1987. The analysts felt that after more than half a decade of slashing costs and employment rolls, the country's big mining companies had be-come lean, efficient producers.

A couple of years ago people were looking for metals to recover and things to go back to where they were in the old days," commented Robert Younker, an analyst with Nesbitt Thomson Deacon Inc. "But I think most companies have given up on that. They are restructuring financially to accommodate current metal prices for the indefinite luture."

Canada, the world's largest exporter of minerals, is home to some of the world's largest mining concerns, including Inco Ltd., the West's largest nickel producer; Falconbridge Ltd., a nickel and copper giant, and Noranda Inc., a mining and forestry conglomerate.

The industry has struggled to recover from the sharp 1981 downturn, when metal prices hit record

or near-record lows. The Mining Association of Canada estimates that industry em-



Testing sound levels in an Inco mine in Sudbury, Ontario.

cent in the same period.

Analysts said that only recently cents a share in 1986. an equilibrium between supply and demand. There is growing optimism toward gold, and, to a lesser extent, copper.

Because Canadian companies are now more efficient, small gains in metal prices next year could translate into healthy profits for a select group of companies.

Noranda is expected to lead the upturn, largely because of its interest in the huge Hemlo gold find in northern Ontario and its large forestry operations. At Richardson ployment has fallen to around mining analyst, Ray Goldie, pre- and steady pro 90,000 in 1985 from more than dicted that Noranda's profit would priced platinum.

100,000 in 1981. Meanwhile, min- jump to I Canadian dollar (72 U.S. ing productivity has risen 40 per-cents) a share in 1987, from an an estimated profit of 15 Canadian

Noranda earned 52.9 million dollars, or 16 cents a share, on revenue of 2.65 billion dollars.

We've got nice improvement in profit for Noranda this year, but half of that will come from the forestry side," Mr. Goldie said.

The outlook remains uncertain for Inco, despite its reputation as the world's most efficient nickel producer.

Analysts believe that Inco, which is expected to report a small loss for 1986, may be profitable this year Greenshields of Canada Ltd., a because of stronger copper prices mining analyst, Ray Goldie, pre- and steady production of high-

UNOCAL: Recovery Is Under Way After 2 Ordeals

after the Pickens fight, have been pared to \$39 million.
Mr. Hartley said he planned to

pay down the debt steadily until it reached about \$3 billion, a level he considers prudent, but one high enough to discourage other wouldhe raiders from making a run at the

They ve done an excellent job of managing their operations more efficiently, cutting costs and getting more bang for the buck," said Thomas Petrie, an analyst for First

Despite pressure from Wall

ing and marketing operations, in-cluding its Union 76 gas stations, to reduce debt. "Selling profitable operations is killing the goose that lays the golden egg." he said.

The brashness of the 69-year-old Mr. Hartley and his exploits in fighting off Mr. Pickens have led im to be viewed, variously, as a folk hero, saving the jobs of his employees and repulsing the greedy financier, or as the perfect example of an entrenched manager interested only in preserving his job.

"It cost Unocal's shareholders a Street, one thing Mr. Hartley ada- keep his job." Mr. Pickens said,

(Continued from first finance page) mantly refuses to do is sell oil and which were nearly \$50 million right gas reserves or the company's refining value between his offer for the company and Unocal's plan, "He's a guy who's long past retirement age who ought to retire."

Mr. Hartley, however, displays little desire to leave the company he has worked for since 1939 and headed since 1964. "Most of my friends who are retired are dead." he said.

But late in 1985, he gave up the president's title to Richard J. Stege-meier. An engineer and the former head of the company's science and technology operations, Mr. Stege-meier, 58, is widely viewed as the "It cost Unocal's shareholders a heir apparent, a perception Mr. Hartley does nothing to discour-

FUNDS: Investors Take Cold Bath

Extracts from letter to shareholders from Mr. Patrick Pollet. Chairman and Managing Director.

REDOUTE GROUP

At the last General Shareholders' meeting, I announced to you that 1980-1487, would be a year of restructurating and repositioning.

I am pleased to announce that both the volume of activity for the first I am pleased to announce that both the volume of activity for the first six months and profits for the same period have moved in that direction and that the progress achieved up to the end of August should be maintened for the entire year, after adjustment for the serious incident concerning "Confort Familial". Redoute group consolidated turnover for the first six months amount to Fr. 5.386 million (up 10.3% on a comparable basis) and net profits to Fr. 30.3 million (up 9.0%). A detailed breakdown of these figures gives the following:

gives the following:

Total Redoute catalogue business: turnover up 10.6% at Fr. 3.866 million net profit (before minority interests) up 10.1% at

Total Premanuan business: turnover up 11.2% at Fr. 426 million; loss (excluding S.I.A.D.) of Fr. 182.000 compared with Fr. 1.443.800 on August 31, 1985. Vestro: turnoser up 10.1% at Lire 92 billion: profits (excluding S.L.A.D.) of Lire 49 million compared with Lire 67 million on

Total S.I.A.D. business turnover up 18.6% at 108 billion line net profit up 19% at 548 million line.
FIN AREF: financing volume to June 30 up 26.6% at 1.291 million; net first half profit up 21% at 10.3 million.

The restructuring costs for Editions ROMBALDI and the DANS UN JARDIN companies will be contained within the announced limits.

Generally speaking, the autumn-winter season got off to a flatter start than was taitially expected. By November 30, 1986, consolidated sales were up 11.5% at Fr. 8.900 million which means we can anticipate revenue growth of 10% over the whole year and, most important of all.

a return to the profitability levels of previous years.

I remain resolutely confident about the future of the Redoute group. My direct colleagues and the staff who head the group subsidiaries

(Continued from first finance page)

Legg Mason, which brought the World Wide Value Fund public, said, "In retrospect, it's very clear that you should wait for the aftermarket" to buy. "But at the time, if you looked at

the performance of the worldwide market, you'd have wanted to buy then." he said. The fact that so many investors

were eager to buy closed-end funds strikes many, including beneficiaries of the trend, as disturbing evidence of too much public confi-dence in stocks. "I think the very fact so many came out is not a very good sign." Mr. Zweig said. "But when Wall Street latches on to something, they'll sell the beck out

His own fund, he said, may have been "oversold, and some people didn't know what they were buying." Some investors, he suspects, had too high expectations. On the "road show," in which a new issue is presented to financial professionals, Mr. Zweig said, he told brokers not to expect the new fund's performance to match that of his market letter, which had put together more than five years of gains averaging about 25 percent.

fund focusing on companies' underlying asset values, may have been bought in part by traders "expecting it to go to a premium," said the fund's vice president, Anne-marie Gilly. At the road show, the long-term nature of Gabelli's investment strategy was stressed, she said. "But I wouldn't be surprised that a lot of brokers got on the phone and said, 'It's Mario Gabelli and it's a bot name and this thing's really going to move." In recent weeks, the funds have

come under more pressure, as investors who hoped for quick profits took losses for tax purposes.

Ironically, as the public sells, some sophisticated investors, including the fund managers themselves, are stepping in. "We've sort of done an about-face," said Mr. Herzfeld, who had sold some of the funds short and now recommends select purchases. He cited the Italy and Scandinavia funds.

Mr. Cashman has bought shares of World Wide, recently at about a 10-percent discount. He also pointed to the France Fund, with a 30percent discount, as a good value. Buying by fund managers has also shown up in the Gabelli and Zweig funds, and First Financial, a sav-Likewise, Gabelli Equity Trust, a ings and loan fund.

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BUSINESS PEOPLE

After Successful Tender, Moulton Heads Pandick

A new management lineup, with Anthony K. Moulton as chief executive, is emerging at Pandick Inc., the New York-based financial printing company, after the completion of a management buyout

Mr. Moulton, 42, is now the president of Pandick, Edward G. Green, 68, the chairman and chief executive, plans to retire. Another principal in the buyout, Garry L. Pote, 45, will continue as chief financial officer. Mr. Moulton and Mr. Pote were both trained as investment bankers. Mr. Moulton joined Pandick 10 years ago from L.F. Rothschild, Unterberg, Tow-bin, and Mr. Pote joined in March after two years with the Banque National de Paris.

"I don't think we'll have a chair-man's title," Mr. Pote told The

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Prices NASDAQ prices as of 4 p.m. New York time.

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New York Times, "Titles are not that important to Tony anyway." gether so well as a team that we never had made a big deal about titles," he said.

Mr. Moulton was speaking from Mr. Green's vacation home after plant. the successful tender offer. Charles P. Young Co., a unit of Services Pandick managers. Mr. Moulton is married to Mr.

Green's daughter, Arden. Mr. Green's desire to retire set off plans in mid-September to buy the com-

announced in Parsippany, New Mr. Moulton agreed. "We work to- Jersey, that William G. Kuhns, who guided the company through the Three Mile Island nuclear accident in 1979, plans to retire at age 65 in May. The utility owns the

Mr. Kuhns, chairman and chief executive officer of GPU, will be Resources Corp., withdrew from succeeded by John F. O'Leary, 60, the bidding this week after it lost a a member of the board and former court battle to block the management buyont, which involved 20 Department, Mr. Kuhns joined the utility in 1955 and became president and chief executive officer in

1967. He will remain on the board. Colt industries Inc. said in New York that C. Edward Warner had been promoted from group vice adviser to the chief executive.

has realigned management in Kansas City, Missouri, to integrate staff functions of United Telephone System Inc. with those of United Telecom's corporate center. Robert H. Snedaker Jr., president of United Telephone System, has become United Telecom's chief operating

Dana Corp. said in Toledo, Ohio. that it had appointed Southwood J. Morcott president and chief operating officer. He joined Dana in 1963 as a sales engineer in the Spicer Universal Joint division and served as manager of the pistonring plant in Tipton, Indiana, before being named president of Dana World Trade Corp. in 1969.

pany and go private, Mr. Moulton said. "After building up this com-pany for 20 years, he said, Tve had it," and I said to him, 'I can't blame you." president to executive vice president. Mr. Warner succeeds Guy C. Mr. Morcott succeeds Gerald B. Mitchell, who will remain as chair-Shafer, who will continue as an man and chief executive officer. Sts. Close Div. Yki, PE 100s High Low Guot. Ch'se 12 Month High Low Stock Sis. Close
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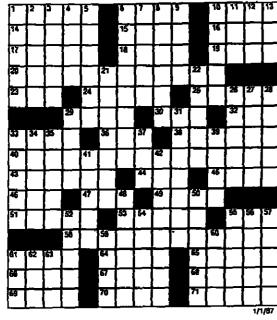
HOUSTON — Tenneco Inc. completed the sale to ICH Corp. for \$1.34 billion of its insurance businesses, Philadelphia Life Insurance Co., Southwestern Life Insurance Co., Philadelphia American Life Insurance Co. and Scenity This Life Insurance Co. Security Trust Life Insurance Co., both companies said Wednesday.

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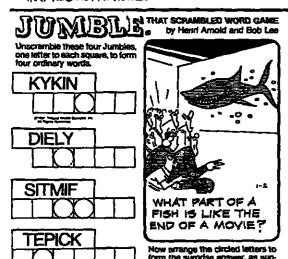
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New York Times, edited by Eugene Maleska DENNIS THE MENACE



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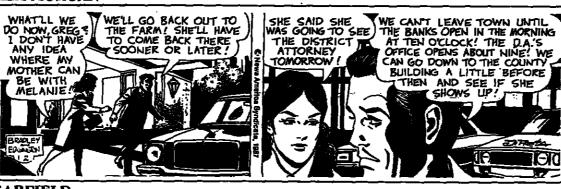


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World Stock Markets

Via Agence France-Presse Dec. 31

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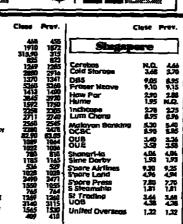
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WORLD MARKETS IN REVIEW

IN THE IHT EVERY MONDAY. A WEEKLY REVIEW OF WORLD STOCK MARKETS. ESSENTIAL READING FOR INVESTORS AND PROFESSIONALS — WORLDWIDE

BOOK BRIEFS

THE RIVER THAT FLOWS UPHILL: A Journey From the Big Bang to the Big Brain, by William H. Calvin. Macmillan, 866 Third Ave-nue, New York, N. Y. 10022.

William H. Calvin, who teaches at the University of Washington, takes as his subject virtually everything that a neurobiologist such as he might muse upon while rafting through the Grand Canyon. Stars, evolution, geological strata, lossils, the coordination of raftsmen, the reactions of birds to predators - these and dozens more topics come within his purview.

Combining four trips into one and drawing

on the company of other scientists for dialogue and learned horseplay, he takes the reader on a 14-day excursion on the Colorado River. On the way he interlards speculation about, say, the relationship between ice ages and Earth's orbit with accounts of river-running. It is a shrewd technique. The struggling reader knows that just beyond the immediate cosmological or anthropological debate looms another spray-tossing stretch of water.

"The River That Flows Uphill" has wide

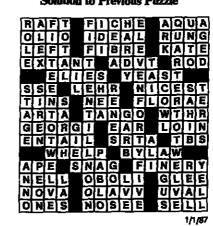
margins on which Calvin has lodged quota-tions to amplify his words. His favorite sources include Loren Eiseley, Annie Dillard, Lewis Thomas and Jacob Bronowski. (Dennis Drabelle, WP)

FOOLS CROW, by James Welch. Viking, 40 West 23d Street, New York, N. Y. 10010. Although novels by American Indian writers have been appearing in a steady, though slim, stream since Simon Pokagon's "Queen of the Woods" in 1899, only since 1969 has the Indi-

an novel begun to come of age. James Welch's third novel, "Fools Crow," marks an important step in that movement toward a matura-tion of both style and vision.

Welch, a Blackfeet-Gros Ventre Indian and a graduate of the University of Montana, draws upon his Blackfeet heritage and, more critically, upon his sense of what it means to be "Indian" in late 20th-century America. In "Fools Crow" he has written an extraordinary novel, set in the final crisis years of the high plains culture — around 1870, when the buffa-io herds are falling before the efficiency of repeating rifles and the Indians are being decimated by the less efficient but still deadly assault of smallpox and the U.S. military.

Solution to Previous Puzzle



The novel focuses primarily upon a young' man called White Man's Dog, who, in the course of the novel, grows into the hunter, warrior and healer named Fools Crow. His coming of age parallels the final brief period of traditional life for the Blackfeet. As the power of Fools Crow grows, that of his people declines. It becomes the responsibility of Fools Crow to foresee and bear witness to the exter-mination of their traditional way of life. (Louis D. Owens, LAT)

MANHATTAN COUNTRY DOCTOR, by Milton Jonathan Slocum, M.D. Charles Scribner's Sons, 597 Fifth Avenne, New York,

Dr. Milton Slocum practiced general medi-cine in the Heil's Kitchen section of Manhattan from 1934 to 1968. "Manhattan Country Doctor is his reminiscence, offering us glimpses into the urban medical practice of 50 years ago and pieces of the lives of the Damon Runyon characters who enlivened it.

Slocum began practice before the availability of penicillin or heart surgery. His book, however, is less a look at medicine than a collage of the strange characters and stranger situations he effcountered.

A mobster invites Slocum to examine a hundred prostitutes for venereal disease every Monday but insists on using the doctor's phone to place "the girls" in various brothels. Another time Slocum is called to a brother where a middle-aged, obese, suburban banker has died; the investigating cop "encourages" everyone to fabricate a story for the medical examiner so that the widow and children won't know the circumstances of the death.

Unfortunately the author seems uninterested in himself. We have little sense of what makes him tick. (David Hilfiker, M.D., WP)

A WORLD OF WATCHERS, by Joseph Eastner. Alfred A. Knopl, 201 East 50th Street, New York, N. Y. 16022.

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James Vardeman of Mississippi set out in 1981 to compile a list of 700 U.S. bird species between Jan. 1 and Dec. 31, and spent more than \$50,000 on his quest, just missing his objective with a total of 699. A restless busiman named Charles J. Pennock, who vannessman named Charles J. Feinock, who van-ished from Philadelphia in 1913 and was given up for dead by his family, could not resist reporting on the bird life in St. Marks, Florida, thereby revealing where he had been hiding. In "A World of Watchers," Joseph Kastner,

an amateur naturalist and former editor for Life magazine, makes several attempts to explain the bird-watching impulse. He doesn't quite hit the mark, but it doesn't matter because he tells you everything else you might want to know about bird watchers, and he does so with remarkable grace and seeming lack of

"A World of Watchers" outlines three periods in the modern history of American bird " watching, beginning in the mid-19th century when such giants as Spencer Fullerton Baird organized the science of ornithology. From the 1880s to the 1930s, the Andubon Society popularized bird watching; the third period is the era of the bird guide, begun by Roger Tory Peterson in 1934, which raised the number of watchers to the millions.

(Christopher Lehmann-Haupt, NYT)

BRIDGE

By Alan Truscott

Association was played last month at the Jacob K. Javits Convention Center in Manhattan. Instead of, as is customary, qualifying about half of the original field for the final, only pairs who had topped their sections during the afternoon were able to advance.

The winners of the super final, whose excitement was heightened by the use of barometer scoring, and therefore results round by round, were Steve Adumkin and Linda Danas, both of Manhattan.

it does not often happen that experienced players go down in a game contract and fail to notice that a different game would have succeeded. But it happened on the dia-

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gramed deal from the Flighted tacular discard to the heart Pair Championship.
At most tables, No.

played four spades and had to control. If he fails to discard fail by at least one trick. They the heart ace, he will have a saw afterward that they would have done better by playing in a spade or diamond part-score, but few noticed that the improbable contract of three notrump would have been un-beatable.

Suppose that North chose to pass three no-trump on the diagramed auction, judging that his strong diamond suit would produce tricks. With a normal beart lead South wins in dummy and leads a spade. When South has a chance he finesses the diamond jack and establishes that suit. There is no way for the defense to take more

Canadian stocks via AP

than four tricks. A club lead is better for the defense, but does not succeed. South should make the spec-

ace, win in his hand and estabsecond chance to do so when

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Markets Closed Stock markets in Amsterdam, Brussels, Frankfurt, Stockholm, Tokyo, Zurich and Montreal were closed Wednesday for the New Year holiday.

First Chicago to Buy **Issuer of Credit Cards**

New York Times Service CHICAGO - First Chicago Corp. is to buy Beneficial National Bank in Wilmington, Delaware, from Beneficial Corp. for \$247 million, increasing its stake in the periodic card business.

First Chicago, which announced the acquisition on Wednesday, is the fifth-largest U.S. issuer of credit cards, with three million card holders. Beneficial National is the

SPORTS

Miami May Not Have Football Tradition, but It's Got a Big Date With Penn State

By Malcolm Moran Ver York Three Service

CORAL GABLES, Florida - The rition offers huge stadiums right of their chapuses, not far from where the shims spent some of the best times of their youth. Here at the University of Mismi, the campus stadium is an unrealned dream as old as the institution itself.

prefitionally, the members of U.S. college (ootball's elite have supplied a sectioned of try-covered buildings outs were young. Each time a Miami was composes, its nickname holds the

The horricane struck on Sept. 16. 1926 killing more than 130 people and lesseging more than 10,000 homes. On Oct 15, the new university began classes is the abandoned Anastasia Hotel, with mons created by cardboard partitions February later, the school known as the Cardboard College played its first foothall game, a victory over a freshman gam from Rollins College, before a good of 304 on a hastily built field -chani 21288.

Sixty years later, having overcome expectatic crises, periods of apathy, NCAA probation, and the wealth and affinence of larger, state-supported universities, the Hurricanes have overtaken lot when we play them and beat them.

When top-ranked Miami meets Penn State on Friday night at Tempe, Arizo-Year's Day bowls depended on Miam's na, turning the Sunkist Fiesta Bowl into a junior-varsity Super Bowl, the Hurri-canes will experience their third oppor-and is happy to end its humbling series tunity to win the national championship in the last four seasons.

The Hurricanes have overcome the power of tradition as they have defiantly created their own. Just before the game against Oklahoma last September in the Orange Bowl, the most significant regular-season game in the history of the school that came at the end of a week of discipline problems involving players, the Miami mascot, Sebastian the Ibis, greeted the visiting Sooners by hoisting a toy machine-gun over his right shoulder and pointing it at Oklahoma's starting

"Penn State is a great tradition school," said Alonzo Highsmith, a senior fullback who has been a significant part of Miami's rise, "But this isn't 1952, This is 1986. And we're just out to play a football game."

"Some people say, Who is that Miami team?" said Mike Irvin, a sophomore receiver. "We've been around awhile, but we haven't had that great tradition

They say, Those guys are in it for real.'
Indeed. The makeup of the New decision. Penn State had to play Miami with the Hurricanes, Notre Dame re-

'Some people say, "Who is that Miami team?" ?

> - Mike Irvin, sophomore receiver

tains its enudge and waits to next year to respond to the 51-point defeat in 1985.
As it approaches institutional middle age. Miami's relative newness is considered a strength. "There are many days when I wish I had Harvard's problems." said Edward T. Foote 2d, who became Miami's fourth president in 1981. "But there are at least as many days when the university clearly has an advantage in its youth, its flexibility, its willingness to risk. That's very difficult for an old insti-

program endured a chaotic decade that included seven coaches and a shrinking base of support. The arrival of the professional game and the rise of the Dolphins to Super Bowl champions dropped the popularity of the Hurricanes to a distant second place. The university sold 6,866 season tickets in 1976, its radio network included two stations, and there was renewed speculation that the program should be ended.

The University of Miami, prior to the last four years, really hasn't had a tradition." said Sam Jankovich, the athletic director since 1983. But that is not entirely true. Until the last decade, the university had established a tradition of ambition mixed with disappointment. After a sixth-place finish in both The Associated Press and the United Press International polls in 1956, the Hurricanes appeared just once in each poll through the end of the 1970s.

This season, an aggressive promotional campaign led to the sale of 23,500 season tickets, which the university considered disappointing. The radio network lists nearly 25 stations. The school's 10,800-seat allotment of Fiesta Bowl tickets, nearly 8,000 more than the number of tickets Miami sold for the 1985 Fiesta Bowl game against UCLA,

Johnson, the head coach in his third season, says, "We don't have the fan base. We don't have the overall facilities that a more traditional school would have. But we're in a great area.' The attraction of the area helped Lou

Saban, the sixth of seven coaches in the 1970s, attract a freshman class that included Jim Kelly, a quarterback from Pennsylvania, and Fred Marion, a defensive back from Gainesville, Florida. When Saban left after two seasons to become the coach at Army, Howard Schnellenberger continued the process by recruiting Bernie Kosar, who led the Orange Bowl upset of Nebraska and the 1983 top ranking, and Vinny Testaverde, who carried a 10-1 Hurricane team into the Sugar Bowl last Jan. 1,

There had been stars and all-Americans, but it was Saban's recruiting class that established Miami as a steppingstone to the pros.

Miami found it could offer a combination that most of the powers could not: An entrance on the ground floor, and a very low heating bill.

The warmth creates a pleasant environment. It also helps reinforce a reputa-tion. "All they do is sit out in the sun and party." Mike Irvin said of the students.
"The littlest thing, they go get a case of beer and open a can to celebrate."

leader in the search for academic reform now. It's hard to concentrate." in collegiate athletic programs, said he would not tolerate abuses of the system. "I don't care that much about winning football games, proud as I am of the

Hurricanes," Foote said. The weather, the program's success of the recent past and the promise of the pros combine to create a strong temptation to ignore classwork.

Jacqui Colyer, who was placed in place. charge of the athletic department's academic support center last August, said that of the football players in the class of 1984 to advance beyond the freshman year, 60.9 percent earned a degree.

In the class of 1985, that figure dropped to 53 percent. Colver hopes that the future rate rises to a minimum of 75

The climate and the athletic success office," Colyer said. "The next thing is say, but I'm not going anywhere."

A task force study of the football that class attendance begins to slip. I program, established following the guess their egos take over. They look at Oklahoma game after the discovery of how many times their names are in the minor National Collegiate Athletic Aspaper. They lose sight of the goal here. sociation violations and publicized con-And it happens with all of them. By the frontations between football players, time that happens, you hope they're at other students and local police, support- the point where they're not so far from' ed the program. But Foote, a national graduation. The lights are really bright

> In any case, Johnson said, "We have ... an opportunity to have a great program for many years. Not one or two years. Many years. Because we can attract the talent, and talent wins football games. I've been able to hire talented assistant coaches. If you win, that brings in money. Money builds facilities. Once you have the talent, everything falls into

Still, the rumors of his departure pe sist. Since last year, reports have had Johnson going to Pitt, Texas and South-

The coach does not deny that he discussed the opening at Southern Cal with Mike McGee, its athletic director.

But Johnson said, "I really don't think there's another college football job I'd consider, anywhere. I'd underline that complicate that job. "The first thing you consider, anywhere. I'd underline that notice is that they don't drop by the Anywhere. I might listen to what they

Ohio State Beats Texas A&M in Cotton Bowl

DALLAS — Chris Spielman re-turned an interception 24 yards for a touchdown and Ohio State interexpited four other passes on Thursday to defeat Texas A&M, 28-12, in college football's Cotton Bowl.
Spielman elman, a junior linebacker,

killed a fourth-quarter Aggie rally with his second interception. Michael Key brought another interception back a bowl-record 49 yards for the 11th-ranked Buckeyes, who were making the Big Ten interception and the length of his Conference's debut in the Cotton return broke Byron Whizzer

Also Thursday, in Orlando, Florida, Brent Fullwood ran for 152 1938. yards and a touchdown to lead Auburn to a 16-7 victory over Southem California in the Florida Citrus

In Dallas, the Buckeyes ching to a 7-6 lead at halftime before Spiel-Rod Bemistine to steal a pass and Kevin Murray, for the touchdown early in the third quarter.

Sonny Gordon's second intereses. He had them in red shoes for ception of Murray on A&M's next the first time since the 1976 Rose

possession set up Vince Workman's 8-yard scoring run.

The Aggies, ranked No. 8, charged back on Roger Vick's 2-yard scoring run windbreaker and a baseball but Murray's two-point conversion In Orlando, the Citrus Bowl depass to Krith Woodside was ruled out of bounds by the officials

Spiciman then doomed the Aggies with 5:50 to go when he intercepted a wayward Murray aerial at the Ohio State 43.

Key then made Ohio State's fifth White's Cotton Bowl interception record of 42 yards for Colorado in

Ohio State, 10-3, led at halftime with Jim Karsatos, the quarterback, capping an 80-yard drive with a 3-yard scoring run early in the second period.
The Aggies, 9-3, moved impres-

sively between the 20-yard lines in the first half but had to settle for followed Ray Jackson's clearing field goals of 30 and 44 yards from block of the A&M quarterback, Scott Stater. Ohio State's coach, Earle Bruce, tried some psychology on his Buck-

Bowl. He wore a dark suit and a black hat with a scarlet feather in it. Bruce normally dresses in a golf

feat was the third straight loss for Southern Cal and Coach Ted Tollner, whose dismissal was an-nounced at the end of the regular season after losses to UCLA and Notre Dame.

Fullwood, a tailback who gained 1,391 yards during the regular season, ran for 52 yards on 10 carries on Auburn's first scoring drive and he ran four yards for the go-ahead touchdown in the second quarter.

The Auburn defense, sparked by the game's Most Valuable Player — Aundray Bruce, a linebacker forced a fumble to set up the goahead touchdown and pressured Rodney Peete, the Southern Cal quarterback, throughout the game.

Peete's second-quarter fumble after a hit by Bruce led to Auburn's go-ahead touchdown and Tracy Rocker caught the Southern Cal quarterback in the end zone to give Auburn its nine-point lead with

Mud Now, Sand to Come

By Martin Lader

United Press International

overshadowed performance in ten-

nis in 1986, providing a welcome

diversion for those concerned

about the Great American Decline. In a year when Martina Navrati-

American tennis interests, she her-

her tearful return to Czechoslova-

regain world domination when he

took a sabbatical of almost seven

Ivan Lendl, working as hard on

Czechoslovakian in attitude and

lifestyle, the world's No. I player

revealed himself as something more than a rigid tennis machine.

only hurt his image with his stormy

departure from the court last Feb-

among the top 10 men at No. 8. McEnroe had dipped to No. 15,

Conversely, Jimmy Connors.

NEW YORK - Personalities

sophomore to pass for more than 2,000 yards in a season at Southern Cal. suffered four interceptions

10-2 record while the Trojans

the first quarter. The Trojans had a golden oppor-

them the ball at the Auburn 7. However, Auburn's defense Cotton's touchdown gave South-again denied Southern Cal when it ern Cal a 7-0 lead less than five stopped Leroy Holt on fourth down from the 1.

nent's mistakes for touchdowns in a game spiced by nine turnovers.

A driver splashing through mud in a preliminary run at Cergy-Pontoise, near Paris, for the Paris-

Dakar motor rally, which started New Year's Day with about 500 entrants. The 7,620-mile course,

much of it across desert, runs through France, Spain, Algeria, Niger, Mali, Mauritania and Senegal.

With the Americans in a Slump,

Henri Leconte.

to \$10 million

Personalities Spiced Tennis's Year

No. 4 Yannick Noah and No. 6

Australia, which doesn't even

have a player among the top 20, eliminated the United States in the

Davis Cup semifinals, then ended

Sweden's two-year run as champi-

on by winning the Cup for the 26th

The newest personalities to brighten tennis were two West Germans, Boris Becker and Steffi Graf.

Becker proved his Wimbledon vic-

tory of 1985, when he was unseed-

defended the crown. At 19, Becker

already has reached the No. 2

world ranking, and his popularity

is so immense that it was reported

his total income for 1986 was close

Graf, 17, is a strong third among the women and the heir apparent to succeed Navratilova and Chris

Evert Lloyd at the top of the rank-

ings. During the summmer Graf

won four consecutive tournaments.

a run of 24 successive matches, and

held three match points against

Navratilova before succumbing in

(for the third time) and the Virginia

Unquestionably, Navratilova

the semifinals of the U.S. Open.

ed, wasn't a fluke as he successfully

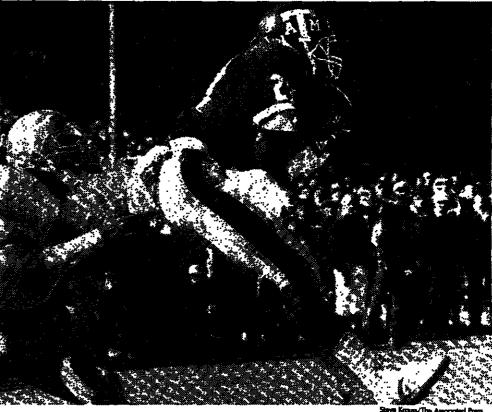
Peete, who became the first and Fullwood's go-ahead touch-

Southern Cal's offensive line was continually outmaneuvered by the 6-foot-6, 230-pound (1.99-meter, 104.3-kilogram) Bruce, who personally dropped Peete for 15 yards in losses and was instrumental in forcing five Trojan turnovers.

Fullwood's running set up Jeff Burger's 3-yard touchdown pass to tight end Walter Reeves, climaxing an 80-yard, 17-play drive for Auburn's first score midway through

minutes into the game. The 6-4, 220-pound junior tipped a pass attempt by Burger, caught the ball and went untouched to the end

quarterback to fumble at the Ausaid Fullwood, who carried the ball burn 48 setting up a six-play drive 28 times.



Terrance Brooks of Texas A&M intercepts a pass as Cris Carter of Ohio State watches.

Dowlon St. Creighton 81, OT Huron 87, Notional 68 Illinois St. 99, SW Missouri St. 55 Ind.-Pur.-Indois. 76, St. Xavier 75 Minnesoto 78, Murray St. 64 N. Illinois 94, Ball St. 74 N. Michigan 107, Grand Valley St. 89 Onklood, Alch. M. Tr.-State 56

FAR WEST

PAR WEST
Denver 68, Occidental 51
DePaul 97, Pepperdine 75
Dominguez Hills St. 69, Majone 49
Fresno St. 61, West Virginto 54
Georgetown 86. Long Beoch St. 72
Gonzago 77, Bolse St. 76
Hawail-Hillo 99, Okia, Saptist 78
Los Anneis St. 41, Alliane Caristis

Los Angeles SL 66, Abilene Chri Louisiana St. 117, IIL-Chicago 84

Oakland, Mich. 64, Tri-State 56

St. Louis &S. Evensville 50 Weshnor 185, Dakoto Wesk

Late Field Goals Win Holiday Bowl for Iowa, Peach for Virginia Tech

Compiled by Our Stoff From Dispatches NEW YORK - Virginia Tech and lowa owe their bowl successes

to last-ditch kicks. 41-yard field goal as time expired to beat North Carolina State, 25was Virginia Tech's first victory in Ted Tollner, on Dec. 8. six appearances in college football

lows also got a 41-yarder, from Rob Houghtin, with no time re-maining to defeat San Diego State, 39-38, in the Holiday Bowl at San

Diego on Tuesday. In the Peach Bowl, North Carolina State led 21-10 at the half and, after a Tech rally, went back into the lead, 24-22, on a 33-yard field goal by Mike Cofer with 7:12 to play. Virginia Tech moved within field-goal range with less than 20 seconds remaining, but a holding penalty pushed Tech back to the North Carolina State 38.

With 11 seconds left, quarter-back Erik Chapman fired a pass toward the end zone. David Evertt, a Tech receiver, reached for the ball and collided with Brian Gay, a defender, and pass interference was

called on Gay. The 15-yard penalty moved Virginia Tech well within the range of Kinzer, who at one point this season converted 17 consecutive fieldgoal attempts and had kicked a 46yarder in the first quarter. He split the uprights as time expired. The outcome raised Virginia Tech's record to 9-2-1. The Wolf-

Pack finished 8-3-1. Kinzer, a sophomore, said after the game: "I love to be in that type of situation. I like the pressure and wanted to kick it. It sets me apart from everybody else and I think that's where I belong. I think I'm

hat good." One of the few conventional-Style kickers in the college game. Kinner was perfect on all 27 of his extra-point attempts in the season

and hit 22 of 27 field-goal attempts. Kinzer's kick made a winner of Coach Bill Dooley in his last game at Virginia Tech, where he had coached for nine years. A dispute between Dooley and the university idministration, as well as some alumni, led to his dismissal, which was announced in September.

In the Holiday Bowl, San Diego State played well despite the absence of two starters. Anthony Convers the team's top wide recriver, tested positive for cocaine and was anspended last week. Clareace Nimm, a cornerback, tested positive for methamphetamines

fortly before the game.
The Aziecs, who reached the western Athletic Conference crown, finished 8-4. It was San Dic-30 State's first bowl since 1969. For lowe, which ended the year BYU states with 1:21 left (UPL AP) the new year. Hayden Fry might leave his coach-

Chris Kinzer of Tech kicked a Southern California, after he was 24, in the Peach Bowl at Atlanta. It about the job. The Trojans fired

orado fumbles and recovered three

2-point conversion attempt. Colorado was held to a seasonlow 83 yards rushing and to 194 yards overall. The Buffaloes had just 61 yards at the half.

Baylor finished the year with a 9-3 record. Colorado ended 6-6. Florida State 27, Indiana 13: In Birmingham, Alabama, the fresh-man running back Sammie Smith

which ended the season at 7-4-1. Indiana's Anthony Thompson gained 127 yards on 28 carries. The Hoosiers soured on a 2-yard run by Andre Powell and field goals of 35 lova stood almost alone in lifting

and 30 yards by Pete Stoyanovich. The Hoosiers, playing in only the self will remember 1986 most for third bowl game in the school's history, blew three scoring chances kia. Similarly, John McEnroe with crucial penalties and three reached a personal watershed and missed field goals. Indiana, 6-6, perhaps relinquished his chance to broke the All-American Bowl re-

Freedom Bowl. Green increased his mage as his game, made notice-his season rushing yardage to 1,405, breaking Freeman McNeil's exterior. More American than option pass for a touchdown as UCLA finished the season 8-3-1.

by Kermit Johnson in 1973.

With just over six minutes left in the game, an interception by UCLA set up Green's pass to Karl Dorrell that made the lend 31-3.

ing post for the job at Southern California.

Baylor 21, Colorado 9: In Houston, linebacker Ray Berry led a Baylor defense that caused six Colof them in the Bluebounet Bowl on Wednesday. Derrick McAdoo, a Baylor running back, scored two touchdowns on 1-yard runs after fumble recoveries deep in Colorado territory. Berry had 12 tackles, including two for losses, one quarterback sack, a fumble recovery that set up a touchdown and a stop on a

gained 205 yards in 25 carries and scored two touchdowns to lead the Seminoles over the Hoosiers in the All-American Bowl on Wednesday. Tanner Holloman scored the other

cord with 88 yards in penalties. UCLA 31, Brigham Young 10: In

UCLA led just 7-3 at halftime. But then Marcus Greenwood, the fullback, ran 70 yards to the BYU 6, setting up Green's 1-yard touch-17th touchdown of the season,

although he is has the chance to climb back into the top five during For town, which ended the year BYU scored on Bruce Hansen's 3-

Fry has spoken with Mike McGee, the athletic director at given permission by Bump Elliott, lowa's athletic director, to talk

UCLA 31, Brigham Young 10: In months to get married and have a Anaheim, California, Gaston baby with Tatum O'Neal, the ac-Green rushed for 266 yards Tues- tress. day in the Bruins' victory in the school mark of 1,396 set in 1979. He also threw a 13-yard halfback

breaking the UCLA mark of 16 set

ruary during a match against Lendi down run at 7:05 of the third quaring the Lipton International, earnter. Late in the quarter, after a ing a suspension. Connors now has UCLA field goal, Green ran 79 gone two years without winning a vards down the left sideline for his tournament, and at 34 talks more glowingly about life after tennis. Such was the decline of American tennis in 1986 that at the year's end only Connors, who did little to distinguish himself, was included

and was sacked five times, including four by Bruce. Auburn finished the season with

dropped to 7-5.
Southern Cal's lone touchdown came on linebacker Marcus Cotton's 24-yard interception return in

tunity for a touchdown late in the game after a blocked punt gave

Both teams capitalized on oppo-Fullwood, who gained 86 yards in the first half, ran four yards for a touchdown with 1:30 left in the half to give Auburn a 14-7 lead.

After the game, Fullwood had harsh words for the Southern Cal players.

They were one of the rudest

Peete managed to complete just 12 of 30 passes for 113 yards.

the second quarter. Cotton's touchdown gave South-

Bruce's bone-jarring tackle of teams we've ever played. Instead of Peete forced the Southern Cal playing ball, they wanted to fight,"

SCOREBOARD

Basketball

U.S. College Results TUESDAY'S RESULTS EAST EAST
Boston Coll. 98, Lofayette 84, OT
Eastern 62, Rutyers-Newark 55
Fairfield 63, New Homesthire 60
Indiana. Pa. 77, Robert Morris 53
Isroe 62, Martist 53
Manmouth, N.J. 72, Coppin St. 62
Dated. Naces 630

Alabama St. 108, W. III Affordic Christian 62, N.C.-Wilmingto Duke 10s. Northwestern 55 E. Michigon 75, Md.-Bott. County 75 Georgio 49, Kentucky 45 Georgio St. 109, Pledmon Georgia St. Wy, Plearmont 64
Grambling 77, SW Texas St. 60
McNeese St. 74, St. Mary's, Texas S6
Memphis St. 89, Oktoberna St. 53
N. Carolina St. 77, Layela, III. 26
New Orleans 72, Witz-Steven's Pt. 61
Penn St. 55, E. Corolina S4
Robert Marris 77, Indigen, Pn. 53
South Aldobarna 185, Florida 194, A6

South Alabama 185, Florida Intl. 65 South Florida 60, Hely Cross 56 St. Leo 92, Coe 84, DT

NBA Standings EASTERN CONFERENCE Attentic Division ksion Walipel GB Sweden, in contrast, with No. 3
Mats Wilander, No. 5 Stefan Edberg and No. 7 Joakim Nystrom, had three representatives among the leaders and France had two—

Mats Wilander, No. 5 Stefan Edberg and No. 7 Joakim Nystrom, had three representatives among the leaders and France had two—

as long as it lasts," said Navrati-W. Virginia St. 103, Concordia, N.Y., 77 III.-Chicago 101, Denison 64 physical life, so I'm enjoying it for as long as it lasts," said Navrati-

lova, adding that at age 30 she is still looking to improve her game. Evert extended ber record string of winning at least one Grand Slam to 13 consecutive years, and she also defeated Graf in the final of the Lipton International. However, she was sidelined for much of the Harper 7-21 3-4 17, Lee 7-14 2-2 16. Rebox second half of the year with injuries, and although she is in excel-

(Long 7).

W/11kins 13-223-629. Contwinight 9-149-927; ML Malone 8-22 5-4 21, Williams 6-9 2-2 14. Re-bounds: Washington 52 (M. Malone 16), New York 54 (Cummings 9). Assists: Washington 23 (Adams 7), New York 27 (Sporrow 7). 23 (Adams 7), New York 27 (Sporrow 7).
Utoh
Sup Antonio
30 31 29 19—109
Sup Antonio
31 27 27 30—115
Thompson 12-16 5-6 29, Robertson 10-21 9-0
12; Mallons 9-16 5-7 22, Tripucka 9-12 9-0 18.
Rebeeds: Utoh 44 (Earten 12), Son Antonio 53
(Robertson 8), Assists: Utoh 25 (Green 6), Son
Antonio 32 (Robertson 10),
Datroit 28 28 21 34—163

Dontley 9-147-825, Green 7-131-215, John

ving 4), Degver 22 (Lever 7).

Houston 105. L.A. Clipper:

lay Mecir to complete a successful defense of the U.S. Open. 5-125-6 15; Curamings 11-292-8 24 Pressey 8-13 3-6 29, Pierce F-17 2-3 28. Rebounds: Detroit 5-6 (Green 23). Milwaukee 51 (Curamings 11). Assistis: Detroit 24 (Thomas 18), Milwaukee 27 Although he was denied at Wimbledon by losing to Becker in the (Pressay 13). final, Lendl won nine of 15 Nabisco Grand Prix events and Corroll 10-19 5-7 25, Mullin 7-17 9-10 22: Jor Corroll 19-19 5-7 25, August 7-17 9-10 22; Jer-don 19-27 5-7 31, Proxxon 9-15 7-3 26, Rebesseds: Golden State 52 (L. Smith 13), Chicopo 61 (Cor-zine 8), Aptistis: Golden State 20 (Floyd 11), Chicopo 22 (Corgine 5). Philodolphia 33 22 22 22—111 reached the final 12 times. He became the first man to exceed \$10 million in career earnings.

enjoyed the best year of anyone in tennis. She compiled a match re-Becker was more erratic than Lendl, yet he also was more speccord of 89-3 and won 13 tournaments, including Wimbledon (for the seventh time), the U.S. Open tacular during the last half of the year. Starting with his run at Wimbledon, Becker compiled a match record of 43-3 before losing the Slims Championships (for the final of the Nabisco Masters to fourth time in a row). For the year, Navratilova earned just over \$1.9 Lendi early in December.

lent physical shape at 32, she will be pressed to thwart the challenge

from Graf and the other younger

Grand Slam championships played

in 1986 - because of a change in

schedule the Australian Open was

not held - and defeated two un-

heralded players in the finals. He

repeated his 1984 victory in the

French Open by beating Mikael

Pernfors, and then downing Milos-

LendI won two of the three

W. Virginia St. 99. Der non 107, Wassuk 70 WEDNESDAY'S RESULTS

EAST MIOWEST
Cent. Alterioon 75, Kent St, 58
Cincinneri 81, Coostal Carolina 62
SOUTHWEST
Texas-El Paso 81, Morson St. 50
FAR WEST
Bolse 81, 71, E. Washington 33
Hawell Pacific 77, Pacific, Ore. 62
Marquette 75, Loyola, Callf, 65
New Hompshire Cell, 91, Lubback Christian 79
Son Diago 61, Colorado 51
TOURNAMENTS
Sobsidar Classic Sensider Chastic (Round Rabin)

Louislana St. SS. BYU-Howall 70 **European Soccer**

ENGLISH FIRST DIVISION Arsend 1, Wimbedon 1
Chariton Athletic 0, Tottenham
Chetseo 1, Queens Park Ronger
Coventry City 0, Luten Tewn 1
Everton 1, Aston Villa 0 Sheffield Wednesday 1, Narwich City 1 Wolford 1, Manchester City 1 West Ham United 4, Leicester City 1

Points standings: Arsenal 48; Everton 44; Liverpool 37: Nothington Forest, Tottenham. Norwich 38: Luton 36: West Ham 34: Watford. Sheffield Wednesdov, Coventry 33: Wimble-don 32: Oxford 29: Manchester United 28:

Transition

BASKETBALL CLEVELAND—Traded the rights to World B. Free, quard, to the Philodelphia 76ers for a second-round draft pick in 1990. INDIANAPOLIS—Placed Harb Williams. ord, on the injured reserve list.
FOOTBALL
National Football League

PHILADELPHIA-Announced that Ken

HOCKEY

National Rockey League
BUFFALO—Sent Gotes Ortondo. center, to
the Rochester Americans of the American
Hadley League, Recolled Bob Lagan, left y Leones from Rochester. y JERSEY—Sent Chris Terreri, good-

Football

College Bowl Schedule

JAM, 1 *Segar Bowl (New Orle* to St. 9-2, vs. Nebrasko. Rosa Bowl (Posodi

Flesta Bowl (Tempe, Arizona iomi. 11-0. ys. Penn State, 11-0

East-West Strine Classic (San Fi

Japan Bowi (Yekahama, Japan) JAN. 17

Hockey

NHL Standings WALES CONFERENCE
Patrick Division
W L T Pis GF GA

Duchesne (5), Wells (7), Corson (17), Dienne (15); Eklund (8). Shots on you!: Philodelphia (on Melonson) 9-7-7—23; Los Angeles (on Vancouver 1 2 9-3 Nopler (5), Greizhy 2 (39), Beukebeam (1), Anderson 2 (22), Kurri (22); Tembellal (10), Pelli (4), Tenli (13). Shots an gool: Edmenhar (on Bradeur) 11-11-10-32; Vancouver (on Mage) 11-12-31.

WEDNESDAY'S RESULTS

O'Connell (2).Klima (15),Lewis (1),Gal (16), Ladouctur (3), Higgins (6); McDanald (5), Fotiu (4), Mullen (20), Otto (12), Shets on

Glies (1), Sandstrom 3 (13); Figiter (13) Kerr (2), Kromm (5). Seets on goal: N.Y Islanders (on Vanblesbrauck) 7-10-4-0- 21: Creighton (2), Andrevchuk (10), Los

Smith 2 (5); Freser (14), Monson (1), Shets on east: Chicago (an Barranse) 12-6-14-32; Buffalo (an Sauve) 14-17-10-41. Waiter (6), Lemieux (11), Skrudland (6), Gineras (6). She'is en seal; Guebec (on Hay-word) 9-13-7—29; Mantreul (on Malarchuk) 7.

McLetten (14), Acton (6), Broton (9), Gro-ham (17), Brooke (5); Samenko (3), Gavin (11), Shots on seal: Hartford (on Takko) 1)-7-

But the Butter

OBSERVER

Pen Pals Ru and Ronnie

By Russell Baker NEW YORK — Suppose President Reagan's plan for patching up things with Iran by swapping guns for hostages had

DEAR AYATOLLAH:

Yours of Wednesday last hit the nail squarely on the head. It was silly to keep on fussing over something that happened seven years ago when so many present-day problems can be solved if we cooperate. No, I never heard the old Iranian saying about having to kidnap a few embassies to make an omelet. We are a new country where people think they've heard something wise when somebody says, "Shoot the sherbert to me,

DEAR MR. PRESIDENT:

While enjoying the excellent magazine article extolling supply-side economics, which you so kindly enclosed, I was overwhelmed by remorse at not having sent you a comparable gift demonstrative of my affection. I trust you will find the enclosed not unworthy

Gratefully yours, etc. P.S. My translators are puzzled by "sherbert." Might it be a new weapon in your great arsenal of freedom fighting?

DEAR AYATOLLAH:

By golly, it was swell of you to send me the movie about all those fellows being shot, just like in "Rambo." Who were all those fellows getting shot, anyhow?

"Sherbert" is a deliberate misspelling of "sherber," because saying. "Shoot the sherbet to me, Herbert," isn't half as much fun as saying. "Shoot the sherbert to me, All best, etc.

DEAR MR. PRESIDENT:

I have ordered fervent street demonstrations in praise of your kindness for enclosing the film "Brother Rat," which relates the history of your heroic struggle to succeed at VMI. When your life story is filmed, insist that the great Cary Grant play Ronald Reagan. Incidentally, can you send me "Bringing Up Baby" with the great Cary Grant and Katharine Hep-

With all due respect, my friend, those being shot in the film I sent

you were scarcely what I would call "fellows." Most were economists. and the rest were malcontents. As for "sherbet," is it merely an icy confection, as my translators say, or is it also the coded Pentagon name for a new weapon such as I might be interested in examining?

Yours in fanhood, etc. P.S. Why do we remain so formai. My first name is Ruhollah, and my friends call me Ru. Won't

DEAR RU: I am sorry to tell you Cary Grant is dead. As a result, there has been a rush on his films at the video rental shops, so I can't get hold of "Baby." I hope the enclosed will keep you entertained for now.

Am checking the Pentagon to see they have something called "Sherbet" on the drawing board. Will let you know soonest. Meantime, just call me Ronnie. Your pal etc.

DEAR RONNIE:

I hope my praise for Cary Grant did not inadvertently give offense. If you were compelled to have him shot for harboring ambitions to become an economist, I quite understand, I may be an ayatollah, but I am still human enough to feel em-barrassment if I thoughtlessly offend a pal.

Thanks for sending "Knute Rockne - All-American," though I detested it. Why? Because the producer allowed Pat O'Brien to steal the film from my great friend Ronnie. Persuade this O'Brien to visit Iran, and I assure you he will be instantly incarcerated, given a fair trial, and shot. Heard anything yet from the Pentagon?

DEAR RU: Bad news from the Pentagon. I'm afraid. There's no weapon called "Sherbet." Not much other news here, except that Pat O'Brien died three years ago.

RONNIE, BABY:

Be a real pal and ask the Pentagon if they've got something called "Herbert" coming on line, will you? I hear they sometimes hold out on you unless they think you've got their number. Perhaps you ould have more of them shot. Yours in eternal friendship, etc.

New York Times Service

Music, Politics And a Look at Henze at 60

By James Helme Sutcliffe story got a flier handed out by a

Three composers whose anniversaries fell during the year 1986 were performed assiduously on the Germanic musical circuit: Carl Maria von Weber (born 1786), Franz Liszt (died 1886) and Hans Werner Henze, whose 60th birthday was celebrated on July 1, and the occasion of performances of his voluminous output throughout the year. But whereas the places of the first two in music history are assured, the pros and cons of Henze as a composer continue to be hotly debated, and not always on the most musical of terms.

Opera houses in Braunschweig and East Berlin revived his 1957 full-length ballet "Ondine," composed for Britain's Royal Ballet. Lübeck, Klagenfurt and Detmold performed the operas "Der Junge Lord" (1965), "Elegy for Young Lovers" (1961) and his first fulllength opera, "Boulevard Solitude" (1952), while West Berlin's chamber opera toured the city (and went to Kiel) with his children's opera "Pollicino" (1980), and the annual Berlin Festival mounted an abbreviated concert version of "Die Bassariden" (1966) in September, returning to W.H. Auden and Chester Kall-man's original English libretto for the occasion.

Gütersloh in Westphalia, the city where Henze was born but numed his back on at age 19, leaving Germany to live in Italy at 27, organized a comprehensive festival of his music in September, for which the prodigal returned to lecture and conduct a semi-staged production of his "Elegy for Young Lovers," with British vocalists and the touring London Sinfonietta. He left town before Detmold's "Boulevard Solitude" arrived. But members of the audience emerging from the performance of this aggres-

sive little version of the "Manon"

student. The information on it pretty well summed up the Henze dilemma in his country of origin, the gist of its argument being. His music is just fine because his political attitude is O.K." And thereby hangs the curious

tale of a tremendously talented composer ("industrious," according to the doyen of German critics, H.H. Stuckenschmidt) -- the most performed and best accepted of contemporary German composers. Privately he called himself the greatest opera composer of the second half of the 20th century, and when reminded of Benjamin Britten's command of the lyric stage, replied that he was "better than Britten."

That was in 1966. A glance at the dates of his works shows clearly just about when the composer stopped writing works that appealed to a big audience. In 1967 Henze accepted 40,000 Deutsche marks to write his second Piano Concerto, delivered the work, then refused to conduct it as agreed to open the new Kunsthaus in Bielefeld donated by a pudding magnate. Henze had suddenly discovered that the benefactor had regularly contributed to the winter relief fund of Joseph Goebbels, the Nazi propaganda minister. The year 1968 brought Henze's association with the West Berlin student revolt and its spiritual leader Rudi Dutschke, as well as the - in the politically charged circumstances predictable cancellation of the world premiere of Henze's oratorio "The Raft of the Medusa" in Hamburg after audience and

before a note could be heard. There followed years in Cuba, which inspired the brilliant "El Cimarrón." after which Henze made London his headquarters to produce his only other work to find wide acceptance since the 1960s, the third Piano Concerto,

performers had assembled but



called "Tristan," a return to his earlier seosuous orchestral textures. The British dramatist Edward Bond provided librettos for two socially critical operas, "We come to the River" (1976) and "The English Cat" (1983), and both "Pollicino" as well as Henze's re-arrangement of Pai-siello's "Don Chisciotte" (1976) contained spoken condemnations of the rich of the world for not distributing their wealth to the poor, an odd request from a man who had a villa near the pope's at Castel Gandolfo, but consistent with the attitudes of Gaston Salvatore, a student "revolutionary" who provided Henze with dreary polit-agitation libretti in 1968-71. And so the Henze paradox proliferates in much the same way as his fecundity has provided 7 symphonies, 5 string quartets, 12 ballets, 7 concertos and 18 operas, as well as a host of choral, symphonic and chamber works, the latest of which Stuckenschmidt called arisy-craftsy when they were

heard at the 1986 Berlin Festival. Henze's musical influence on his contemporaries found positive expression in the festivalworkshops he founded in Monte-

pulciano, Italy, in 1976, and Mürz-tal, Austria, in 1981, and by the composition class he took over in 1980 at Cologne's Musikhochschule. A less appealing side of the coin is the volumes of commentary he has written about himself and his music, and the gathering around him of apologists whose aim appears to be the rewriting of history, recalling the avid self-proselytizing of Richard

One such rewriting, to one who was there, is Hans-Klaus Jungheinrich's account in the Gütersloh program of the politically loaded moreour surrounding the Hamburg sinking of "Raft of the Medusa." The librettist Ernst Schnabel, arrested and carted off to a police station, but hardly "one of many beaten bloody," showed up half an hour later more depressed than injured. "I iust don't understand what's gotten into Hans Werner with all this revolutionary stuff," he said. When he started composing The Raft of the Medusa' he had just espoused Buddhism."

James Heime Sutcliffe is a Berlin-based critic and musician.

Zeffirelli Off in a Huff

work in Italy again because of the currented the Holocaust.
"irritated coldness" he says the Italian public has shown him. Zeffirelli, 63, said he particularly resented the indifference in Italy to his winning the National Board of American Reviews' best foreign film award for his "Otello." He is scheduled to collect the award in New York on Feb. 9. Zeffirelli will be working in Brazil with the Tunisian producer Tarak Ben Ammer on a film about the debut of Arturo Toscanini in Rio de Janeiro with a production of Verdi's opera "Aida"

speech, broadcast by the ARD net-use of one of the pianist's huxury work on New Year's Eve, ended homes in Palm Springs or Beverly with Kohl wishing the nation a Hills for the rest of his life, peaceful 1986. A spokesman for ARD said the incident appeared to have been the result of a mix-up, but a government spokesman, topple Kohl in the Jan. 25 national election, called the fuss "much ado about nothing." The correct speech was broadcast by the other major network, ZDF.

President Corrizon Aquino of the Philippines and Dr. Robert Gale, an American who treated victims of the Chernobyl muclear accident, were among 10 heroes of 1986 named by the Millennium Society, a U.S. group of young professionals formed to welcome the next an player in the world. She had not century. Aquino was honored for figured in any previous list. FIDE's her "peaceful winds of change." secretary-general, Lim Kok An. Gale, who flew to the Soviet Union said good results in several recent to perform bone marrow transplants on Chernobyl victims, was cited for "saving the family of Thursday, Lim said the inclusion of man." Other Millenium heroes in- Vazoura and of a Hungarian wom-

for Rio de Janeiro vowing not to the writer Elie Wiesel, who has do the writer Elie Wiesel, who has do Franco Zeffirelli has left Rome the first time in six decades, and

Liberace has settled a palimony lawsuit filed by his former live in chanffeur and travel secretary for \$95,000, according to court documents in Los Angeles. The settlement order, approved last month by Superior Court Judge Earl F. Riley, calls for the former Las Vegas dancer Scott Thorson to drop his claims against Liberace for assault and battery and rescission of an earlier settlement agreement un-der which be had obtained \$75,000. Thorson, 27, claimed in his 1982 lawsuit that Liberace had pieded
The West German government when Thorson moved in as his fullhas demanded an apology from a time travel secretary, chanfleur, and west German television network in all trainer and lover that he for broadcasting a New Year message by Chancellor Helmat Kohl life and up to \$30,000 a year for pet that was a year out of date. The care and would be entitled to the

Yehndi Membin says the womb should be alive with the sound of Friedhelm Ost, indicated that he music - a mother's singing to be suspected political sabotage. The specific The violinist spoke in Longovernment press office demanded don to the British Society for Prepunitive action by the network natal Psychology and said his musiagainst those responsible. Kohl, a cal talent might stem from the fact Christian Democrat, saw the that his parents sang to him before broadcast at his home in Oreer- he was born. "I am sure that a baby sheim, and "his reaction was corre-spondingly harsh," a government lodic vibrations from its mother's lodic vibrations from its mother's spokeswoman said. The opposition voice suffers from emotional star-Social Democrats, who hope to vation, just as lack of food leads to physical starvation," he said.

The world champions Gary Kasperov and Maya Chibordanidze, both of the Soviet Union, head a corrected list of year-end top ratings published Thursday by FIDE, the Lucrne-based international chess federation. A list released by FIDE on Wednesday had named Elemi Vazoura of Greece, who has not even made the grade of Inter-national Master, as the No. I womsecretary-general, Lina Kok An, games against strong opponents accounted for a lightning career. On Thursday, Lim said the inclusion of cluded Vladimir Horowitz, who an Erzebet Halasz, was due to a performed in the Soviet Union for "case of mistaken identities."

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